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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92051963
Party	Defendant Even St. Productions, Ltd.
Correspondence Address	JAY COGGAN EVEN ST. PRODUCTIONS LTD. 1925 CENTURY PARK EAST, SUITE 2320 LOS ANGELES, NY 90067 UNITED STATES rbecker@frosszelnick.com
Submission	Motion to Suspend for Civil Action
Filer's Name	Robert A. Becker
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Signature	/Robert Becker/
Date	06/14/2010
Attachments	Exhibit A to Registrant's Motion to Suspend (F0637893).PDF (110 pages) (5778682 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Registration No. 2,920,734
Trademark: SLY AND THE FAMILY STONE
Registrant's Ref.: EVSP USA TC-1002164

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SYLVESTER STEWART,	:	
	:	
	:	
Petitioner,	:	
	:	
v.	:	
	:	
EVEN ST. PRODUCTIONS, LTD.,	:	Cancellation No. 92051963
	:	
Registrant.	:	
	:	
-----	X	

EXHIBIT A TO REGISTRANT'S MOTION TO SUSPEND PROCEEDINGS

CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court

FEB 04 2010

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

SYLVESTER STEWART, an individual,
p/k/a SLY STONE, p/k/a SLY AND THE
FAMILY STONE; and KEN ROBERTS, an
individual, aka KENNETH ROBERTS,

Plaintiffs,

vs.

GERALD GOLDSTEIN aka JERRY
GOLDSTEIN, individually and as co-trustee
of the AMADEUS TRUST, and as trustee of
the GERALD GOLDSTEIN REVOCABLE
TRUST, and as a managing member of
AMADEUS CAPITAL INVESTORS, LLC,
AMADEUS B, LLC, and AVITTA
PROPERTIES LIMITED; CLAIRE LEVINE,
aka CLAIRE GOLDSTEIN, an individual, and
as co-trustee of the AMADEUS TRUST, and
as a managing member of AMADEUS
CAPITAL INVESTORS, LLC, AMADEUS
B, LLC, and AVITTA PROPERTIES
LIMITED; JACLYN LEVINE, an individual;
STEPHEN TOPLEY, an individual; GLENN
STONE, an individual; ELVA HACKNEY,
an individual, and as a principal of
COLUMBIA STREET, INC.; COLUMBIA
STREET, INC., a California corporation;
EVEN ST. PRODUCTIONS LTD., a New
York corporation, formerly known as STONE

CASE NO. BC 430809
UNLIMITED JURISDICTION

FIRST AMENDED
COMPLAINT FOR:

1. DAMAGES FOR BREACH OF CONTRACT;
2. DAMAGES FOR BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING;
3. UNJUST ENRICHMENT;
4. RESCISSION, RESTITUTION AND DECLARATORY RELIEF;
5. ACCOUNTING;
6. DAMAGES FOR BREACH OF FIDUCIARY DUTY;
7. DAMAGES FOR FRAUD;
8. DAMAGES FOR CONSTRUCTIVE FRAUD;
9. DAMAGES FOR BREACH OF CONTRACT;
10. DAMAGES FOR FRAUD;
11. DAMAGES FOR CONSTRUCTIVE FRAUD;
12. CONVERSION;
13. CONVERSION;
14. MONEY HAD AND RECEIVED;
15. FRAUDULENT TRANSFER;

1 FIRE PRODUCTIONS, LTD.; MAJOKEN)
2 INC., a New York corporation; MAJOKEN,)
3 INC., a New York corporation; JERRY)
4 GOLDSTEIN MUSIC, INC., a New York)
5 corporation; AUDIO VISUAL)
6 ENTERTAINMENT, INC., a California)
7 corporation, dba AVENUE RECORDS and)
8 dba AVENUE MUSIC GROUP; GERALD)
9 GOLDSTEIN REVOCABLE TRUST, dated)
10 November 6, 1998, an express revocable)
11 living trust; AMADEUS TRUST, dated)
12 January 24, 2000, an express revocable living)
13 trust; AMADEUS CAPITAL INVESTORS,)
14 LLC, a California limited liability company;)
15 AMADEUS B, LLC, a New York limited)
16 liability company; AVITTA PROPERTIES)
17 LIMITED, a British Virgin Islands)
18 corporation; FIRST CALIFORNIA BANK, a)
19 California corporation, successor-in-interest to)
20 MERCANTILE NATIONAL BANK;)
21 BROADCAST MUSIC, INC., a New York)
22 corporation; SONY MUSIC)
23 ENTERTAINMENT, a Delaware corporation;)
24 WARNER/CHAPPELL MUSIC, INC., a)
25 Delaware corporation; WARNER-)
26 TAMERLANE PUBLISHING CORP., a)
27 California corporation; SOUNDEXCHANGE,)
28 INC., a Delaware corporation; All Persons)
Unknown Claiming Any Legal or Equitable)
Right, Title, Estate, Lien, or Interest in the)
Property Described in the Complaint Adverse)
to Plaintiff's Property Interests; and DOES 1)
through 100, inclusive,)
Defendants.)

16. RESTITUTION FOR UNFAIR
BUSINESS PRACTICES IN
VIOLATION OF CALIFORNIA
BUSINESS AND PROFESSIONS
CODE § 17200 et seq.;
17. IMPOSITION OF
CONSTRUCTIVE TRUST;
AND
18. DECLARATORY RELIEF

Plaintiffs SYLVESTER STEWART, an individual professionally known as SLY
STONE performing professionally as Sly and The Family Stone (hereinafter referred to as "Sly
Stone") and KEN ROBERTS, an individual, aka KENNETH ROBERTS (hereinafter referred
to as "Roberts"), (in aggregate, the "Plaintiffs") hereby allege as follows:

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SUMMARY OF ACTION

This action arises from the diversion, conversion, and misappropriation of tens of millions of dollars of assets and funds belonging to Sly Stone by Defendant Gerald Goldstein ("Goldstein"), Defendant Goldstein's various business associates and a myriad of affiliated entities including the Fictitious Defendants (collectively the "Goldstein Collaborators," defined *infra*).

By means of fraud, deception and concealment singer / songwriter / composer / musician / producer Sly Stone was, and is, being cheated out of millions of dollars of royalties for the exploitation of his musical compositions, royalties for the exploitation of Sly and The Family Stone master recordings, and for licensing and other revenues derived from the trade name / trademark Sly and The Family Stone (collectively "Royalties") by the Defendant Goldstein Collaborators.

In 1989 Defendant Goldstein and Sly Stone agreed Defendant Goldstein, through his company Defendant Even St. Productions Ltd. ("Even St."), would act as Sly Stone's personal and business manager and would act in Sly Stone's best interests on an at-will basis to provide Sly Stone with financial advice, manage and take care of every aspect of his personal and professional financial affairs, and assist him with his career as long as Sly Stone wanted them to do so in return for the usual and customary fees for these services and for the fees and costs of third party accountants and lawyers hired by Defendant Goldstein or Defendant Even St. to act in the best interest of Sly Stone ("Oral Agreement"). Defendant Goldstein induced Sly Stone into signing a document entitled "Employment Agreement" which he, Defendant Glenn Stone and Defendant Topley, fraudulently represented contained the terms of the Oral Agreement, but was actually an employment agreement for Sly Stone and an assignment of the Royalties. After the document was signed, Defendant Goldstein and Sly Stone's relationship was represented to the public to be that of personal and business manager and Sly Stone became entirely dependent on Defendant Goldstein.

For over twenty years Defendant Goldstein repeatedly told Sly Stone there were little or no Royalties due and/or payable to him, there were liens and levies on his Royalties for state

1 and federal income taxes, and because of other "problems with the IRS," Sly Stone could not
2 have any assets in his name or receive the Royalties directly. Defendant Goldstein and the
3 Defendant Goldstein Collaborators used the fraudulently obtained Employment Agreement to
4 divert, convert and misappropriate the Royalties.

5 Since Sly Stone's relationship with Defendant Goldstein began, Sly Stone did not
6 collect his Royalties, did not receive an accounting of the receipt and disbursement of his
7 Royalties from Defendant Goldstein, and did not receive the benefit of his bargain with
8 Defendant Goldstein and Defendant Even St. From 1989 through 2009 Sly Stone did not
9 receive an accounting of the Royalties due and/or payable to him from the companies collecting
10 the Royalties on his behalf (collectively the "Royalty Collecting Companies," defined *infra*).
11 Until 2007 Sly Stone survived on intermittent payments made to, or for the benefit of, Sly
12 Stone by Defendant Goldstein or from his Music Companies (collectively the "Music
13 Companies," defined *infra*).

14 From approximately 1999 to the present Defendant Goldstein and the Defendant
15 Goldstein Collaborators engaged in a scheme that allowed them to borrow money from
16 Defendant Mercantile National Bank secured by Sly Stone's future Royalties. With all of Sly
17 Stone's current Royalties and future Royalties collected by Defendant Goldstein through his
18 Music Companies, Defendant Goldstein did not need Sly Stone anymore.

19 In 2008 Defendant Goldstein told Sly Stone neither he nor the Music Companies could
20 advance Sly Stone any more money. However, the Defendant Goldstein Collaborators, without
21 the authority or permission of Sly Stone, have received, borrowed, and continue to receive
22 millions of dollars of, or derived from, the Royalties.

23 Through on-going false misrepresentations to Sly Stone that there were little or no
24 Royalties payable to Sly Stone when, in fact, there were substantial Royalties payable to him,
25 Defendant Goldstein and his common law wife Defendant Claire Levine ("Levine") used
26 diverted, converted or misappropriated Royalties to allow them to accumulate approximately
27 eighty million dollars (\$80,000,000) of assets, leaving Sly Stone to live hand to mouth, at times
28 homeless and dependant on social security payments. Most of the Royalties were diverted to,

1 converted by, or misappropriated by, Defendant Goldstein and Defendant Levine through a
2 complicated scheme and a myriad of companies used to purchase and/or hold real property.
3 Legal title to the real property was, and is, held in the names of several domestic and foreign
4 trusts, a limited liability company, and an off-shore corporation. However, all such entities are
5 owned and/or controlled by Defendant Goldstein and/or Defendant Levine.

6 Sly Stone seeks, monetary damages, including punitive damages, rescission, restitution
7 and declaratory relief, an accounting, and imposition of a constructive trust for breach of
8 contract, breach of implied covenant of good faith and fair dealing, breach of fiduciary duty,
9 fraud, constructive fraud, conversion, money had and received, fraudulent transfer, and unfair
10 business practices committed by, and for the unjust enrichment of, the Defendant Goldstein
11 Collaborators (defined *infra*).

12 Sly Stone seeks compensatory damages from Defendant BMI (defined *infra*),
13 Defendant Warner/Chappell (defined *infra*), Defendant Warner-Tamerlane (defined *infra*),
14 Defendant Sony Music (defined *infra*), and Defendant SoundExchange (defined *infra*).

15 Sly Stone also seeks an accounting from each, and declaratory relief against all
16 defendants as to the parties' right and entitlement to past and future payment of Royalties.

17 To the extent the Defendant Goldstein Collaborators (defined *infra*) utilized
18 corporations, trusts or other entities for the purpose of enabling the individual defendants to
19 commit fraud or other torts, Sly Stone seeks to pierce the corporate veil of such entities to hold
20 the individual defendant perpetrators personally liable.

21 Co-plaintiff Ken Roberts ("Roberts"), a former manager of Sly Stone, is a victim of
22 fraud and identity theft. Without Roberts' authority, permission or knowledge, several of the
23 defendants, including Defendant Goldstein and Defendant Even St., pretended to be successors-
24 in-interest to Roberts' wholly-owned corporation named Majoken Inc., which was registered in
25 New York in 1975 and registered to do business in California in 1982 as Majoken, Inc.
26 (collectively "Roberts Majoken"). Plaintiff Roberts' reputation in the music business has been
27 harmed by the association of his company with Defendant Goldstein's company.

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1 In the 1970s Sly Stone assigned his Royalties from Defendant Broadcast Music, Inc.
2 ("BMI") to Roberts Majoken to secure loans from Roberts Majoken to Sly Stone. Roberts
3 Majoken was dissolved in 1991. With knowledge of the prior assignment to Roberts Majoken,
4 the Defendant Goldstein Collaborators formed a new corporation named Majoken, Inc. which
5 was registered in New York in 1996 ("Goldstein Majoken") and used it to defraud Sly Stone of
6 millions of dollars in Royalties due and payable to him from Defendant BMI. The Defendant
7 Goldstein Collaborators used Defendant Goldstein Majoken to defraud Mercantile National
8 Bank, the predecessor-in-interest to Defendant First California Bank, of millions of dollars by
9 obtaining loans from Defendant Mercantile National Bank secured by assignments of future
10 Royalties due and payable to Sly Stone from Defendant BMI.

11 Roberts' claims are limited to actual and constructive fraud committed by the Defendant
12 Goldstein Collaborators (defined *infra*).

13 Roberts seeks compensatory and punitive damages from the Defendant Goldstein
14 Collaborators (defined *infra*).

15 Roberts requests the Court adjudicate and declare that Defendant Even St. and its
16 shareholders, officers, and directors never had any ownership, interest, or rights in, or to,
17 Roberts Majoken.

18
19 PARTIES

20 1. Plaintiff Sly Stone is a resident of Los Angeles County, State of California. Sly
21 Stone was a musical prodigy from a young age, proficient at the keyboard by the age of seven
22 and mastering the guitar, bass, and drums by the age of eleven. He became famous for his
23 musical compositions performed by him as Sly and The Family Stone. Sly Stone is a prolific
24 songwriter who has written and composed hundreds of songs throughout his career, with over
25 300 songs registered with Defendant BMI. A number of these songs became Top 40 hits.

26 2. Plaintiff KEN ROBERTS ("Roberts") is, and at all relevant times has been, a
27 resident of Los Angeles County, State of California.
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1 3. Plaintiffs are informed and believe, and thereon allege Defendant GERALD
2 GOLDSTEIN, aka JERRY GOLDSTEIN ("Goldstein"), is, and at all times herein mentioned
3 was, an individual residing in Los Angeles County, State of California. Plaintiffs are further
4 informed and believe, and thereon allege Defendant Goldstein owns and controls Defendant
5 EVEN ST. PRODUCTIONS LTD. (f/k/a Stone Fire Productions Ltd.), JERRY GOLDSTEIN
6 MUSIC, INC., MAJOKEN INC., MAJOKEN, INC., and AUDIO VISUAL
7 ENTERTAINMENT, INC., dba AVENUE RECORDS, dba AVENUE MUSIC GROUP
8 (collectively the "Music Companies"). Plaintiffs are further informed and believe, and thereon
9 allege, that Defendant Goldstein is, and at all relevant times herein mentioned was, a settlor, a
10 beneficiary and a co-trustee of Defendant AMADEUS TRUST, the settlor, sole beneficiary and
11 a trustee of Defendant GERALD GOLDSTEIN REVOCABLE TRUST, the managing member
12 of Defendant AMADEUS CAPITAL INVESTORS, LLC, the managing member of Defendant
13 AMADEUS B, LLC, and founder and co-owner of Defendant AVITTA PROPERTIES
14 LIMITED.

15 4. Sly Stone is informed and believes, and thereon alleges Defendant CLAIRE
16 LEVINE, also known as CLAIRE GOLDSTEIN, ("Levine") is, and at all times herein
17 mentioned was, an individual who is a resident of Los Angeles County, State of California. Sly
18 Stone is informed and believes, and thereon further alleges Defendant Levine was at all
19 relevant times a settlor, a beneficiary and a co-trustee of Defendant AMADEUS TRUST, a
20 managing member of Defendant AMADEUS CAPITAL INVESTORS, LLC, a managing
21 member of Defendant AMADEUS B, LLC, and a founder and co-owner of Defendant
22 AVITTA PROPERTIES LIMITED. Defendant Levine has represented that she is an owner,
23 shareholder and officer of the Defendant Music Companies and considers them her joint assets
24 with her common law husband, Defendant Goldstein. Sly Stone is informed and believes, and
25 thereon further alleges, Defendant Levine has been Defendant Goldstein's common law wife
26 and business partner for over twenty-three (23) years in the Music Companies.

27 5. Sly Stone is informed and believes, and thereon alleges Defendant JACLYN
28 LEVINE ("J. Levine") is, and at all times herein mentioned was, an individual residing in the

1 County of Los Angeles, State of California who is the daughter of Defendant Levine and was
2 the recipient of property, hereinafter described, purchased with funds unlawfully converted or
3 misappropriated from Sly Stone through the tortious acts hereinafter alleged.

4 6. Plaintiffs are informed and believe, and thereon allege that Defendant
5 STEPHEN TOPLEY ("Defendant Topley") is an individual residing in the State of Hawaii and
6 is, and at all times herein mentioned was, an officer and director of the Defendant EVEN ST.
7 PRODUCTIONS LTD.

8 7. Plaintiffs are informed and believe, and thereon allege that Defendant GLENN
9 STONE is an individual residing in the State of New York and is, and at all times herein
10 mentioned was, an officer and director of Defendant EVEN ST. PRODUCTIONS LTD.

11 8. Plaintiffs are informed and believe, and thereon allege Defendant ELVA
12 HACKNEY ("Hackney") is, and at all times herein mentioned was, an individual residing
13 and/or doing business in the County of Los Angeles, State of California. Plaintiffs are
14 informed and believe, and thereon further allege from approximately 1997 to 2003 Defendant
15 Hackney worked at Defendant MERCANTILE NATIONAL BANK, the predecessor-in-
16 interest to Defendant FIRST CALIFORNIA BANK. In approximately 2003 Defendant
17 Hackney became the financial consultant to Defendant Music Companies both individually,
18 and through her wholly-owned corporation, Defendant COLUMBIA STREET, INC.

19 9. Plaintiffs are informed and believe, and thereon allege Defendant COLUMBIA
20 STREET, INC. is, and at all times herein mentioned was, a corporation duly organized and
21 existing under the laws of the State of California, and is, and at all times herein mentioned was,
22 doing business in the County of Los Angeles, State of California.

23 10. Plaintiffs are informed and believe, and thereon allege Defendant EVEN ST.
24 PRODUCTIONS LTD. ("Even St."), formerly known as STONE FIRE PRODUCTIONS LTD.
25 ("Stone Fire") from approximately January 26, 1989 until April 12, 1989, is, and at all times
26 herein mentioned was, a corporation duly organized and existing under the laws of the State of
27 New York, with a principal place of business in Los Angeles County, State of California.
28 Plaintiffs are informed and believe, and thereon further allege Defendant Goldstein, Defendant

1 Glenn Stone, and Defendant Topley, and each of them, are and at all relevant times herein
2 mentioned were, officers and directors of Defendant Even St. Plaintiffs are informed and
3 believe, and thereon allege that Defendant Even St.'s source of revenues is, and at all times
4 herein mentioned was, Royalties due and payable to Sly Stone, specifically a) Royalties from
5 Defendant SONY MUSIC ENTERTAINMENT for the exploitation of Sly and The Family
6 Stone's master recordings, b) Royalties from Defendants WARNER/CHAPPELL MUSIC,
7 INC. and/or Defendant WARNER-TAMERLANE PUBLISHING CORP. as administrators for
8 MiJAC Music for the exploitation of Sly Stone's musical compositions, and c) Royalties from
9 Defendant SOUNDEXCHANGE, INC. for the exploitation of Sly Stone's digital
10 performances. Sly Stone is informed and believes, and thereon alleges that there are additional
11 Royalties due and payable to Sly Stone arising from his musical compositions and the
12 exploitation of Sly and The Family Stone master recordings that were paid to the Defendant
13 Music Companies. Sly Stone will seek leave of the Court to amend this Complaint to allege the
14 sources of the Royalties and the Royalties which have been paid to the Defendant Music
15 Companies when such facts are ascertained through discovery in this action.

16 11. Plaintiffs are informed and believe, and thereon allege Defendant MAJOKEN,
17 INC. ("Goldstein Majoken") (to be distinguished from Roberts Majoken) is, and at all relevant
18 times herein mentioned since in or about April 1996 was, a corporation duly organized and
19 existing under the laws of the State of New York, and is, and at all relevant times herein
20 mentioned was, doing business in the County of Los Angeles, State of California. Defendant
21 Goldstein Majoken was registered in New York on July 30, 1996 by Defendant Glenn Stone
22 acting in his capacity as an officer and director of Defendant Even St.

23 12. Plaintiffs are informed and believe, and thereon allege Defendant Goldstein
24 Majoken is a wholly-owned subsidiary of Defendant Even St., and Defendant Goldstein at all
25 relevant times has been the President and Chief Executive Officer of Defendant Goldstein
26 Majoken and has overseen the day to day operations of Defendant Goldstein Majoken. On
27 August 5, 1996 Defendant Glenn Stone wrote a letter on Defendant Even St. letterhead to
28 Defendant BMI, fraudulently misrepresenting to Defendant BMI "[a]t all times relevant to

1 Sylvester Stewart BMI's public performance royalties, Mr. Stewart rendered songwriter
2 services to Majoken, Inc." with the intent and the effect of convincing Defendant BMI,
3 Defendant Goldstein Majoken was Roberts Majoken and all Royalties due and payable to Sly
4 Stone by Defendant BMI were now payable to Defendant Goldstein Majoken.

5 13. Plaintiffs are informed and believe, and thereon allege Defendant JERRY
6 GOLDSTEIN MUSIC, INC. ("Goldstein Music") is, and at all times herein mentioned was, a
7 corporation duly organized and existing under the laws of the State of California, with its
8 principal place of business located in Los Angeles County, State of California.

9 14. Plaintiffs are informed and believe, and thereon allege Defendant AUDIO
10 VISUAL ENTERTAINMENT, INC., d/b/a AVENUE RECORDS, d/b/a AVENUE MUSIC
11 GROUP ("Avenue Records") is, and at all times herein mentioned was, a corporation duly
12 organized and existing under the laws of the State of California, and is, and at all times herein
13 mentioned was, doing business in the County of Los Angeles, State of California.

14 15. Sly Stone is informed and believes, and thereon alleges Defendant GERALD
15 GOLDSTEIN REVOCABLE TRUST dated November 6, 1998 ("Goldstein Trust"), sued
16 herein through its trustee, is, and at all times since on or about November 6, 1998 was, an
17 express revocable living trust declared and established on November 6, 1998 by Defendant
18 Goldstein, who is the sole settlor, trustee, and beneficiary. Sly Stone is informed and believes,
19 and thereon further alleges Defendant Goldstein Trust was formed in, and under the laws of,
20 the State of California.

21 16. Sly Stone is informed and believes, and thereon alleges Defendant AMADEUS
22 TRUST, dated January 24, 2000 ("Amadeus Trust"), sued herein through its trustees, is, and at
23 all times herein mentioned since January 24, 2000 was, an express revocable living trust
24 declared and established on January 24, 2000 by co-settlors Defendant Goldstein and
25 Defendant Levine, who are also the co-trustees and co-beneficiaries. Sly Stone is informed and
26 believes, and thereon further alleges Defendant Amadeus Trust was formed in, and under the
27 laws of, the State of California. Sly Stone is informed and believes, and thereon further alleges
28 Defendant Amadeus Trust is and/or was holding real property acquired with Royalties

1 unlawfully converted or misappropriated from Sly Stone. Sly Stone is informed and believes,
2 and thereon further alleges that on or about September 15, 2008 Defendant Levine sent a letter
3 to Defendant Goldstein expressly revoking the Defendant Amadeus Trust, but any and all real
4 property held under the name of "Amadeus Trust" at that time is still recorded and held under
5 that name.

6 17. Sly Stone is informed and believes, and thereon alleges Defendant AMADEUS
7 CAPITAL INVESTORS, LLC ("Amadeus Capital") is, and at all times herein mentioned was,
8 a limited liability company duly organized and existing under the laws of the State of
9 California, and is, and at all times herein mentioned was, maintaining an office and doing
10 business in Los Angeles County, State of California. Sly Stone is informed and believes, and
11 thereon further alleges that Defendant Goldstein is, and at all relevant times herein mentioned
12 was, the managing member of Defendant Amadeus Capital.

13 18. Sly Stone is informed and believes, and thereon alleges Defendant AMADEUS
14 B, LLC ("Amadeus B") is, and at all times herein mentioned was, a limited liability company
15 duly organized and existing under the laws of the State of New York with its principal place of
16 business in Los Angeles County, State of California. Sly Stone is informed and believes, and
17 thereon alleges that Defendant Amadeus B is wholly owned by, and was formed and managed
18 and operated by, Defendant Goldstein and Defendant Levine, and each of them. Sly Stone is
19 informed and believes, and thereon further alleges the sole purpose of Defendant Amadeus B
20 was to hold real property on behalf of Defendant Goldstein and Defendant Levine, and such
21 real property was paid for, in whole, or in part, with Sly Stone Royalties wrongfully diverted,
22 converted, or misappropriated, and the product of actual and constructive fraud perpetrated
23 upon Sly Stone, as hereinafter more specifically alleged.

24 19. Sly Stone is informed and believes, and thereon alleges Defendant AVITTA
25 PROPERTIES LIMITED ("Avitta Properties") is, and at all times herein mentioned was, a
26 British Virgin Islands corporation, formed and held solely by Defendant Goldstein and
27 Defendant Levine, with its principal place of business in Los Angeles County, State of
28 California. Sly Stone is informed and believes, and thereon further alleges its sole purpose was

1 to hold a real property purchased with Sly Stone Royalties wrongfully diverted, converted, or
2 misappropriated, and the product of actual and constructive fraud perpetrated upon Sly Stone,
3 as hereinafter more specifically alleged.

4 20. Plaintiffs are informed and believe, and thereon allege Defendant FIRST
5 CALIFORNIA BANK ("FCB Bancorp") is, and at all times herein mentioned was, a California
6 banking corporation, which is a successor-in-interest to MERCANTILE NATIONAL BANK, a
7 federally chartered bank whose assets and liabilities were acquired by Defendant FCB Bancorp
8 on or about May 2007, and that Defendant FCB Bancorp is, and at all times herein mentioned
9 was, doing business in the County of Los Angeles, State of California.

10 21. Plaintiffs are informed and believe, and thereon allege Defendant
11 BROADCAST MUSIC, INC. ("BMI") is, and at all times herein mentioned was, a corporation
12 duly organized and existing under the laws of the State of New York, and is, and at all times
13 herein mentioned was, doing, and authorized to do, business in the County of Los Angeles,
14 State of California.

15 22. Sly Stone is informed and believes, and thereon alleges Defendant SONY
16 MUSIC ENTERTAINMENT ("Sony Music") is, and at all times herein mentioned was, a
17 corporation duly organized and existing under the laws of the State of Delaware, with its
18 principal place of business in the County of Los Angeles, State of California.

19 23. Sly Stone is informed and believes, and thereon alleges Defendant
20 WARNER/CHAPPELL MUSIC, INC. ("Warner/Chappell") is, and at all times herein
21 mentioned was, a corporation duly organized and existing under the laws of the State of
22 California, and is, and at all times herein mentioned was, authorized to do, and is doing
23 business, in the County of Los Angeles, State of California.

24 24. Sly Stone is informed and believes, and thereon alleges Defendant WARNER-
25 TAMERLANE PUBLISHING CORP. ("Warner-Tamerlane") is, and at all times herein
26 mentioned was, a corporation duly organized and existing under the laws of the State of
27 California, and is, and at all times herein mentioned was, maintaining offices in the County of
28 Los Angeles, State of California.

1 25. Sly Stone is informed and believes, and thereon alleges Defendant
2 SOUNDEXCHANGE, INC. ("SoundExchange") is and at all times herein mentioned was, a
3 corporation duly organized and existing under the laws of the State of Delaware, doing
4 business in the County of Los Angeles, State of California.

5 26. Sly Stone does not know the names or true capacities of All Persons Unknown
6 Claiming Any Legal or Equitable Right, Title, Estate, Lien, or Interest in the Property
7 Described in the Complaint Adverse to Sly Stone's Property Interests or any persons or entities
8 who aided and abetted or collaborated with any of the named defendants herein in committing
9 the tortious acts herein alleged and Does 1 through 100, inclusive, and therefore sues these
10 Defendants by fictitious name (the "Fictitious Defendants"). The Fictitious Defendants are in
11 some manner liable to Sly Stone, or claim some right, title, or interest in the Royalties. Sly
12 Stone will amend this complaint to allege the true names, interests, rights, and capacities of the
13 Fictitious Defendants when ascertained.

14 27. Plaintiffs are informed and believe, and thereon allege that Defendant Goldstein,
15 Defendant Amadeus Trust, Defendant Goldstein Trust, Defendant Amadeus Capital, Defendant
16 Amadeus B, Defendant Avitta Properties, each and every one of the Defendant Music
17 Companies, Defendant Levine, Defendant Topley, Defendant Glenn Stone, Defendant
18 Hackney, and Defendant Columbia Street, Inc., and Fictitious Defendants (collectively the
19 "Goldstein Collaborators"), and each of them, is, and at all times herein mentioned was, the
20 agent, employer, partner, joint venturer, alter ego, affiliate and co-conspirator of each other and
21 in doing the things herein alleged were acting within the course and scope of such relationships.

22 28. Plaintiffs are informed and believe, and thereon allege that the Defendant
23 Goldstein Collaborators, and each of them, aided and abetted, ratified the conduct of,
24 knowingly acquiesced in, acted with the consent and permission of, approved and accepted the
25 benefits of the acts of each other defendant as herein alleged with full knowledge of the nature
26 and effect of such acts.

27 29. Plaintiffs are informed and believe, and thereon allege that as to each of the
28 Defendant Goldstein Collaborators which were business entities of any kind, the ratification

1 was by its or their managing agents, officers, directors, partners and managing members, and
2 pursuant to a fixed company policies of each of said ratifying entity.

3 30. Plaintiffs are further informed and believe, and thereon allege that Defendant
4 BMI aided and abetted Defendant Goldstein Collaborators to acquire Royalties from Defendant
5 BMI, breached their agreement with Sly Stone and converted the Royalties. Plaintiffs are
6 informed and believe, and thereon allege the tortious acts of the Defendant BMI were ratified
7 by its managing agents, officers and/or directors.

8 31. Plaintiffs are informed and believe, and thereon allege the Defendant Music
9 Companies, Defendant Amadeus Trust, Defendant Goldstein Trust, Defendant Amadeus
10 Capital, Defendant Amadeus B, Defendant Avitta Properties and all corporate Fictitious
11 Defendants (collectively referred to as the "Goldstein Entity Defendants") are merely alter egos
12 of each other, Defendant Goldstein and Defendant Levine. Plaintiffs will seek leave of Court
13 to amend this Complaint to allege the ownership interests of shares of, membership or other
14 interests in the Goldstein Entity Defendants among such entities and as between Goldstein
15 Entity Defendants and Defendant Goldstein and Defendant Levine.

16 32. Plaintiffs are informed and believe, and thereon allege that Defendant Goldstein
17 and Defendant Levine, and Fictitious Defendants, are, and at all times herein mentioned were,
18 shareholders and/or owners of the Goldstein Entity Defendants, and each of them.

19 33. Plaintiffs are informed and believe and thereon allege that the precise ownership
20 of, and relationship among Defendant Goldstein and Defendant Levine, the Goldstein Entity
21 Defendants, and the Fictitious Defendants, are known to said Defendants, and each of them.

22 34. Plaintiffs are further informed and believe, and thereon allege there exists, and at
23 all times herein mentioned existed, a unity of interest and ownership among Defendant
24 Goldstein, Defendant Levine, the Goldstein Entity Defendants, Fictitious Defendants, and each
25 of them, such that any individuality and separateness between said owners/shareholders and the
26 Goldstein Entity Defendants did and does not exist.

27 35. Plaintiffs are further informed and believe, and thereon allege the Goldstein
28 Entity Defendants are mere shells and shams without adequate capital, assets, stock or

1 stockholders; that corporate formalities were not duly complied with -- directors, members and
2 shareholders' meetings were not held, records and minutes were not maintained, and shares
3 were not duly issued in compliance with law; that assets of the Goldstein Entity Defendants
4 were transferred to their shareholders, members and/or owners without adequate consideration,
5 that monies were drawn from the bank accounts of the Goldstein Entity Defendants by their
6 members and/or owners and/or shareholders for their personal use; and that the affairs of the
7 members, owners and/or shareholders have been intermingled with the financial affairs of the
8 Goldstein Entity Defendants, and each of them. The Goldstein Entity Defendants, and each of
9 them, were mere shells, instrumentalities and conduits through which the members,
10 shareholders and/or owners carried on their business, exercising complete control of and
11 dominion over such business to such an extent that any individuality or separateness of the
12 Goldstein Entity Defendants from the members, shareholders and/or owners does not, and at all
13 times herein mentioned, did not, exist.

14 36. Plaintiffs are informed and believe, and thereon allege that the Goldstein Entity
15 Defendants, and each of them, were, at all times herein mentioned, undercapitalized such that
16 their assets and capital were not sufficient to meet their anticipated and expected debts as
17 would be reasonably expected to be incurred based on the type of business said Goldstein entity
18 Defendants were conducting.

19 37. Plaintiffs are informed and believe, and thereon allege that the Goldstein Entity
20 Defendants are, and at all times herein mentioned were, wholly controlled, dominated and
21 operated by Defendant Goldstein and Defendant Levine as their individual businesses; that the
22 Goldstein Entity Defendants were established and/or used for the purpose of defrauding Sly
23 Stone out of Royalties due and payable to him; that the further purpose of the Goldstein Entity
24 Defendants was to hide or shelter from Sly Stone and divert, convert or misappropriate the
25 Royalties due and payable to Sly Stone; that the monies and assets of the Goldstein Entity
26 Defendants have been completely intermingled and transferred back and forth without adequate
27 consideration; and with which corporate formalities have not been complied.

28

1 38. Plaintiffs are informed and believe, and thereon allege that to recognize the
2 Goldstein Entity Defendants as distinct from one another and from Defendant Goldstein and
3 Defendant Levine would sanction a fraud and promote injustice in that these entities were used
4 by Defendant Goldstein and Defendant Levine to place assets in said entities making Defendant
5 Goldstein's and Defendant Levine's money and/or other assets unavailable to creditors, such as
6 Sly Stone, and these entities were used to divert, misappropriate, convert conceal, hide and
7 dispose of assets and property belonging to Sly Stone.

8 39. Each and every reference to "Defendants" in this complaint is intended and shall
9 be deemed and construed to refer to all Defendants, named and unnamed, including the
10 Fictitious Defendants, against whom a cause of action is brought.

11 12 JURISDICTION AND VENUE

13 40. The Court has personal jurisdiction over the Defendants because they are
14 residents of and/or doing business in the State of California and/or are officers or directors at all
15 relevant times of companies doing business in the State of California.

16 41. Venue is proper in this county in accordance with Section 395(a) of the
17 California *Code of Civil Procedure* because the Defendants, or some of them, reside and do
18 business the County of Los Angeles, State of California, and the acts and transactions
19 hereinafter alleged, occurred in the County of Los Angeles, State of California.

20 21 TOLLING OF STATUTE OF LIMITATIONS

22 42. Any and all applicable statutes of limitation have been tolled by Defendants'
23 continuing, knowing, and active concealment of the material facts alleged herein. Despite
24 exercising reasonable diligence, Plaintiffs could not have discovered, did not discover and were
25 prevented from discovering the wrongdoing complained of herein.

26 43. In the alternative, Defendants should be estopped from relying on any statute of
27 limitation. All Defendants, except Defendant J Levine and Defendant Columbia Street Inc.,
28 owed Sly Stone an affirmative duty of full and fair disclosure, a duty to pay any Royalties

1 collected, or received by them, to Sly Stone and provide an accounting thereof, but knowingly
2 failed and continue to fail and/or refuse to honor and discharge such duties.

3 44. In the further alternative, all applicable statute of limitations are tolled because
4 Sly Stone was in a fiduciary relationship with Defendant Goldstein and the Defendant Music
5 Companies, and Sly Stone was particularly vulnerable because he was unsophisticated in
6 business and relied upon Defendant Goldstein to handle his business and personal financial
7 affairs. *See Parson v. Tickner* (2nd Dist. 1995) 31 Cal.App.4th 1513, 1526 (finding claims were
8 not time barred even though they were delayed by nineteen (19) years based on a fiduciary
9 relationship between musician, composer Graham Parson and his manager).

10 11 GENERAL FACTUAL ALLEGATIONS

12 Sly and the Family Stone

13 45. At age 22 Sly Stone signed a recording contract with Epic Records, a division of
14 CBS. Shortly thereafter, Sly Stone and his band Sly and The Family Stone were launched into
15 stardom. The socially progressive group featured racially diverse male and female musicians
16 who created a fusion of soul, funk, rock and rhythm and blues. In its heyday during the late
17 1960s and early 1970s the band was internationally renowned, at one time playing to 400,000
18 people at the 1969 Woodstock concert along with Janis Joplin, The Who, Jimi Hendrix, and
19 Santana. Sly Stone's songs *Dance to the Music* (1968), *Everyday People* (1969), *Hot Fun in*
20 *the Summertime* (1969), and *Thank You (falettinme be mice elf agin)* (1970) were all at the top
21 of the Top 40 charts. After releasing eleven albums between 1967 and 1982 through Epic
22 Records (1967-1976) and Warner Brothers (1979-1982), Sly and The Family Stone were
23 inducted into the Rock and Roll Hall of Fame in 1993. Sly Stone's musical compositions
24 continue to be popular to this day. Named one of the most influential artists of all time by
25 *Rolling Stone Magazine*, Sly Stone is credited as an influence to musical artists such as Michael
26 Jackson, Madonna, and Prince. His songs have been covered by the Beach Boys, Aretha
27 Franklin, Dave Mathews, Ike and Tina Turner, Gladys Knight, Barry White, Duran Duran,
28 Maroon 5, and The Red Hot Chili Peppers among others. Sly and The Family Stone's hits have

1 been used in major motions pictures including, but not limited to, Seven Pounds (2008), Shrek
2 the Third (2007), Night at the Museum (2006), Stealth (2005), Scooby Doo (2004), A Knight's
3 Tale (2001), and featured in Shrek (2001). Sly Stone's musical compositions and remixes of
4 those compositions continue to be played on the radio, in pubs and clubs, on television, and in
5 the cinema.

6 **Sly Stone's Financial Affairs**

7 46. Sly Stone' became a public performer in his youth and had no education or
8 experience in business, money management or finance. Sly Stone has always been and is
9 dependent on his managers, lawyers and advisors to handle his personal and financial affairs.

10 47. As was common in the entertainment industry in the late 1960s and early 1970s,
11 Sly Stone developed problems with substance use and abuse, which ultimately resulted in a
12 lifelong addiction to cocaine and sedatives. As a result of the effect of these addictions Sly
13 Stone was particularly susceptible to the duress and undue influence of Defendant Goldstein,
14 Defendant Topley and Defendant Glenn Stone.

15 **Royalties**

16 48. Organizations which collected and dispersed Royalties include the following -

17 **a. Defendant Sony Music**

18 CBS' label Epic Records signed Sly Stone and his band, Sly and The Family Stone, in
19 approximately 1967. Epic Records was acquired by Defendant Sony Music in approximately
20 January 1988. Sly Stone is informed and believes, and thereon alleges, from 1989 to present
21 Defendant Goldstein, with the aid of the Defendant Goldstein Collaborators, diverted,
22 converted, or misappropriated, Royalties received by them from Defendant Sony Music for the
23 personal benefit of Defendant Goldstein, Defendant Levine, Defendant Glenn Stone, and
24 Fictitious Defendants.

25 **b. Defendant BMI**

26 Sly Stone first signed an agreement with Defendant BMI in approximately 1964
27 whereby he granted Defendant BMI the right to collect Royalties on his behalf. This agreement
28 was amended and extended numerous times through 1979. The last agreement Sly Stone signed

1 with Defendant BMI was dated March 19, 1979 (the "BMI Agreement"), a true and correct
2 copy of this agreement is attached hereto and marked Exhibit "1." The BMI Agreement was
3 amended once in 1979. The BMI Agreement has been automatically extended thirteen times for
4 two year terms since 1979 without Defendant BMI ever communicating with Sly Stone.

5 Pursuant to paragraph 6 of the BMI Agreement, Defendant BMI agreed to pay Sly
6 Stone all Royalties collected by them on his behalf after the deduction of Defendant BMI's
7 handling charges and fees.

8 Pursuant to paragraph 7 of the BMI Agreement, Defendant BMI agreed to furnish
9 statements to Sly Stone at least twice a year accompanied by payment to Sly Stone of the
10 Royalties collected by Defendant BMI subject to all proper deductions for advances. In
11 violation of the provisions of paragraph 7 of the BMI Agreement, for over twenty years
12 Defendant BMI has failed to provide the statements specified therein to Sly Stone.

13 Plaintiffs are informed and believe, and thereon allege, from 1980 through at least 1984
14 Defendant BMI paid all net Royalties due to Sly Stone to the IRS and/or to the State of
15 California Franchise Tax Board ("FTB").

16 Plaintiffs are informed and believe, and thereon allege, from 1985 through 1996
17 Defendant BMI, without Sly Stone's knowledge or consent, sent checks for all Royalties to Sly
18 Stone at an address unknown to him in Woodland Hills, State of California.

19 Plaintiffs are informed and believe, and thereon allege from and including 1996 to 2009
20 Defendant BMI in breach of their contractual and fiduciary duties to, and without the
21 knowledge or informed consent of, Sly Stone paid the Royalties to Defendant Goldstein
22 Majoken.

23 Sly Stone is informed and believes, and thereon alleges, and Defendant Goldstein
24 Collaborators in breach of their contractual and fiduciary obligations to Sly Stone diverted,
25 converted, or misappropriated Royalties received by them from Defendant BMI for the
26 personal benefit of Defendant Goldstein and Defendant Levine, Defendant Glenn Stone, and
27 Fictitious Defendants.

28 c. Defendants Warner/Chappell and/or Warner-Tamerlane

1 In or about 1982, Sly Stone sold the publishing catalogue for most of his musical
2 compositions (the "Stone Catalogue") to Michael Jackson's record company MiJAC Music.
3 Sly Stone retained the songwriter's share of the Royalties. The Stone Catalogue includes many
4 of Sly Stone's most famous songs, such as *Dance to the Music*, *Everyday People* and *Family*
5 *Affair*. Sly Stone is informed and believes, and thereon alleges, Defendants Warner/Chappell
6 and/or Warner-Tamerlane currently administer(s) and collect(s) royalties for the Stone
7 Catalogue under a music publishing administration agreement with MiJAC Music.

8 Sly Stone is informed and believes and thereon alleges Defendant Warner/Chappell and
9 Defendant Warner-Tamerlane, in breach of their fiduciary duties to, and without the knowledge
10 and informed consent of, Sly Stone, paid Sly Stone's Royalties to the Defendant Music
11 Companies. Sly Stone is informed and believes, and thereon alleges, from 1989 to present the
12 Defendant Goldstein Collaborators diverted, converted or misappropriated Royalties received
13 by them from Defendants Warner/Chappell and/or Warner-Tamerlane for the personal benefit
14 of Defendant Goldstein, Defendant Levine, Defendant Glenn Stone, and Fictitious Defendants.

15 **d. Defendant SoundExchange.**

16 Defendant SoundExchange was designated by the United States Copyright office to
17 collect artists' digital performance royalties on behalf of the artist. Sly Stone is informed and
18 believes, and thereon alleges, Defendant Even St. and/or another Defendant Music Company
19 has/have collected Royalties from Defendant SoundExchange allegedly on Sly Stone's behalf.

20 Sly Stone is informed and believes, and thereon alleges Defendant Goldstein
21 Collaborators in breach of their contractual and fiduciary duties to, and without the knowledge
22 or informed consent of, Sly Stone diverted, converted, or misappropriated Royalties received
23 by them from Defendant SoundExchange for the personal benefit of Defendant Goldstein,
24 Defendant Levine, Defendant Glenn Stone, and Fictitious Defendants.

25 **e. Other Royalties**

26 Sly Stone is informed and believes, and thereon alleges other Royalties have been
27 collected, and are due and payable to, Sly Stone from royalty collection organizations other
28 than the named Defendants.

1 **Roberts Majoken**

2 49. On multiple occasions between 1975 and 1982, Sly Stone received loans from
3 Roberts, who was Sly Stone's personal and professional manager and financial advisor during
4 that time. To facilitate repayment of these loans, in 1976 Sly Stone assigned to Roberts and/or
5 Ken Roberts Enterprises, Inc., an entity wholly owned and/or controlled by Roberts, as a
6 judgment creditor, any and all Royalties due and payable by Defendant BMI to Sly Stone.
7 Roberts and Sly Stone agreed the Royalties assigned to Roberts would not exceed the amount
8 of the loans and interest thereon due from Sly Stone to Roberts. The loans have been repaid by
9 Sly Stone.

10 50. Roberts Majoken was formed in New York on October 7, 1975. Roberts
11 Majoken was wholly owned and controlled by Roberts. On May 20, 1982 Roberts registered
12 Roberts Majoken with the California Secretary of State as a foreign corporation ("Roberts
13 Majoken-California"). In California, a stenographer's error caused the company to be
14 registered as Majoken, Inc. with a comma before "Inc." whereas the New York registration was
15 for Majoken Inc. without a comma before "Inc." Roberts Majoken was dissolved by the New
16 York Secretary of State in 1991. Roberts Majoken-California's status to do business in
17 California was also "forfeited" in 1991.

18 51. For the year 1979 Defendant BMI issued checks for Royalties payable to
19 "Majoken, Inc. for a/c of Sylvester Stewart" in the total amount of thirty thousand dollars
20 (\$30,000). No other Royalties were ever paid by Defendant BMI to Roberts Majoken.

21 52. Nineteen (19) years later, on February 23, 1996 Defendant BMI began sending
22 checks to Majoken, Inc. care of Defendant Even St. for Royalties due commencing with the
23 second quarter 1995 Royalties.

24 **Sly Stone's Dealings with Defendant Even St.**

25 a. **Contacts with Defendant Goldstein**

26 53. Sly Stone first met Defendant Goldstein socially in the late 1960s. By 1989 the
27 two had known each other for over twenty years. Based upon their long relationship Sly Stone
28 trusted Defendant Goldstein and Defendant Goldstein's representation to Sly Stone that he

1 would protect Sly Stone's financial interests, including the collection of his Royalties, and
2 assist Sly Stone's career if Sly Stone would hire Defendant Goldstein to be his personal and
3 professional business manager and financial advisor.

4 54. As of 1989 Sly Stone believed, and thereon alleges Defendant Goldstein had
5 special knowledge and skills regarding financial management and the business of music, skills
6 which Sly Stone did not have. Sly Stone is informed and believes, and thereon further alleges
7 that as of 1989 Defendant Goldstein had been involved in the music business for approximately
8 twenty years, had produced several hit songs for the band WAR, and had produced a number of
9 other hit songs including *Hang on Sloopy*, *My Boyfriend's Back*, *I Want Candy*, and *Slipping*
10 *into Darkness*.

11 55. At all times herein mentioned, Sly Stone reposed trust and confidence in
12 Defendant Goldstein, and Defendant Goldstein voluntarily accepted such trust and confidence
13 of Sly Stone, and because Defendant Goldstein represented he would and agreed to be Sly
14 Stone's personal and business manager, provide Sly Stone with financial advice, and manage
15 and take care of all Sly Stone's personal and professional financial interests; Defendant
16 Goldstein owed Sly Stone a fiduciary duty.

17 56. Defendant Goldstein knew or should have known that in 1988 and 1989 Sly
18 Stone was particularly vulnerable to duress and undue influence because his drug addiction had
19 led him to legal trouble. His Royalties had been levied. He had no record deal. Consequently
20 Sly Stone had no income with which to support himself.

21 57. In December 1988 Defendant Goldstein, through his company, Defendant
22 Goldstein Music, made loans to Sly Stone in amounts ranging from one hundred dollars (\$100)
23 to seven hundred dollars (\$700) to pay for Sly Stone's living expenses, food and drugs,
24 including cocaine. Defendant Goldstein made approximately thirty (30) loans in the span of
25 two and a half months from December 11, 1988 through February 23, 1989. During that time
26 Defendant Goldstein and Defendant Glenn Stone gave Sly Stone cocaine on several occasions.
27 Sly Stone believes, and thereon alleges Defendant Goldstein knew at the time Defendant
28

1 Goldstein made the loans to Sly Stone that Sly Stone was using at least a portion of Defendant
2 Goldstein's money to support his highly addictive cocaine drug habit.

3 58. Near the end of February 1989 Defendant Goldstein informed Sly Stone that
4 unless and until Sly Stone signed an agreement with Defendant Goldstein or a Defendant
5 Goldstein-controlled entity to act as Sly Stone's manager of all of Sly Stone's personal and
6 professional financial interests, Defendant Goldstein would not give Sly Stone any more
7 cocaine or loan Sly Stone any more money. Sly Stone had little or no bargaining power
8 because he was addicted to cocaine and sedatives, was a fugitive, had no money available to
9 him and believed no Royalties were payable to him at that time.

10 **b. Defendant Stone Fire / Even St.**

11 59. On or about February 27, 1989, Defendant Goldstein refused to lend Sly Stone
12 any more money unless and until Sly Stone signed a document entitled "Employment
13 Agreement" which Defendant Goldstein handed to him in the presence of Defendant Topley
14 and Defendant Glenn Stone, Defendant Goldstein's and Defendant Music Company's lawyer.
15 Sly Stone did not draft any part of the document. Sly Stone did not have an attorney who
16 represented his interests review the document. When he asked what the document was, he was
17 told by Defendant Topley, Defendant Goldstein and Defendant Glenn Stone it was an
18 management agreement which would allow Defendant Goldstein and Defendant Even St., then
19 known as Stone Fire (hereinafter referred to as Defendant Even St.), to provide financial advice
20 to Sly Stone and to act on behalf of Sly Stone; manage and take care of all of his personal and
21 professional financial affairs; and assist him with his career as long as Sly Stone wanted them
22 to do so in return for the usual and customary fees for these services and reimbursement of
23 third party fees and costs for professional accounting and legal services. Based on these
24 representations Sly Stone signed the document and Defendant Goldstein immediately gave him
25 a two hundred dollar (\$200) cash "advance."

26 60. Decades later Sly Stone discovered the documents Defendant Goldstein gave to
27 him and Defendant Topley and Defendant Glenn Stone encouraged him to sign were, in fact, an
28 employment agreement for Sly Stone to be employed by Defendant Even St. with an

1 assignment of rights explicitly incorporated into the employment agreement for which there
2 was no separate consideration and which were both signed at the same sitting and at the same
3 time. The employment agreement also incorporated by reference a list of monies advanced by
4 Defendant Goldstein Music to Sly Stone (these three documents are hereinafter referred to
5 collectively as the "Employment Agreement"). A true and correct copy of the Employment
6 Agreement is attached hereto as Exhibit 2.

7 61. Sly Stone is informed and believes, and thereon alleges that he was induced to
8 sign the Employment Agreement as a result of fraudulent misrepresentations made by
9 Defendant Topley, Defendant Goldstein and Defendant Glenn Stone about the legal effect of
10 and the rights granted to Defendant Even St. by the terms of the Employment Agreement and
11 due to duress by, and the undue influence of, these defendants..

12 62. Sly Stone further alleges Defendant Goldstein and Defendant Glenn Stone took
13 advantage of his diminished mental capacity due to his drug addiction and its effects. Sly
14 Stone is informed and believes, and thereon alleges the Employment Agreement and the
15 resulting assignment of Sly Stone's Royalties was and is unconscionable.

16 63. The Employment Agreement purported to assign all Royalties due to Sly Stone
17 to Defendant Even St. Sly Stone is informed and believes, and thereon further alleges
18 Defendant Glenn Stone was a manager, officer and/or director of Defendant Even St., and at all
19 material times was an attorney licensed to practice law in the State of New York. Sly Stone is
20 informed and believes, and thereon alleges at all material times Defendant Even St. was
21 represented by Defendant Glenn Stone, who drafted the Employment Agreement on behalf of
22 Defendant Even St., misrepresented the legal effect of and the rights assigned by the
23 Employment Agreement, encouraged Sly Stone to sign the Employment Agreement without
24 reading it or reviewing it with legal counsel, and was present when Sly Stone signed the
25 Employment Agreement.

26 64. Sly Stone is informed and believes, and thereon alleges Defendant Glenn Stone
27 knew, but did not reveal to Sly Stone, the hidden and actual purpose of the Employment
28

1 Agreement¹ was for Defendant Goldstein and the Defendant Music Companies to acquire the
2 right to collect the Royalties, not to manage and take care of all of Sly Stone's personal and
3 professional financial interests, provide financial advice to Sly Stone, or assist Sly Stone with
4 his career.

5 65. Sly Stone is informed and believes, and thereon alleges the officers and directors
6 of Defendant Even St. at the time the Employment Agreement² was signed by Sly Stone were
7 Defendant Goldstein, Defendant Topley and Defendant Glenn Stone; Defendant Topley signed
8 the Employment Agreement on behalf of Defendant Even St.; and the acts of Defendant Even
9 St. as herein alleged were undertaken by and through said individual defendants, with the
10 advance approval and subsequent ratification of all of the officers, managing agents, and
11 directors of Defendant Even St., and pursuant to its fixed company policy.

12 66. Sly Stone did not receive a copy of the Employment Agreement from Defendant
13 Topley, Defendant Goldstein or Defendant Even St. when, or at any time after, he signed it.
14 Based on the representations made to him by Defendant Goldstein, Defendant Topley and
15 Defendant Glenn Stone, Sly Stone believed he had agreed to employ Defendant Goldstein and
16 Defendant Even St. to provide him with financial advice, manage and take care of his personal
17 and professional financial interests, and assist him with his career as long as he wanted them to
18 do so until 2009 when Sly Stone received a copy of the Employment Agreement from a third
19 party and read the Employment Agreement.

20 c. Demands for Money and Accountings

21 67. In the years subsequent to 1989 Sly Stone asked Defendant Goldstein for money
22 from his Royalties to support himself. Defendant Goldstein gave Sly Stone "advances" against
23 Sly Stone's future Royalties while telling Sly Stone there were no Royalties payable to Sly
24 Stone at that moment. When Sly Stone asked Defendant Goldstein for an accounting of any
25 Royalties received by Defendant Goldstein or Defendant Even St. on his behalf, he was
26

27 ¹ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment
28 Agreement ended long before its stated five (5) year term because of material breaches.

² See, *supra*, n.1.

1 informed by Defendant Goldstein that either there were little or no Royalties due and payable
2 to Sly Stone or that any Royalties Defendant Goldstein collected were less than the 'advances'
3 Defendant Goldstein made to, or allegedly for the benefit of, Sly Stone.

4 68. It was reasonable for Sly Stone to rely on Defendant Goldstein's
5 misrepresentations. As of 1989 Sly Stone believed he owed millions of dollars to the IRS and
6 the FTB which they had levied on his Royalties. Sly Stone released his last record in the mid
7 1980s and believed the Royalties would diminish over time. The last Royalty payment by
8 Defendant BMI which Sly Stone was aware of was in 1979 for thirty thousand dollars
9 (\$30,000). Unbeknownst to Sly Stone, instead of decreasing, the Royalties from Sly Stone's
10 musical compositions and the Sly and The Family Stone master recordings were dramatically
11 increasing and the IRS and FTB levies on his Royalties were released in or about 1996.

12 69. From 1989 through 2008, Sly Stone was unaware any substantial Royalties
13 were due and payable to him from Defendant BMI, Defendant Sony Music, Defendant
14 Warner/Chappell, Defendant Warner-Tamerlane, Defendant SoundExchange or from any other
15 royalty collecting companies ("Royalty Collecting Companies") or any other sources. During
16 that time period Sly Stone repeatedly asked Defendant Goldstein, about the Royalties due and
17 payable to him. Defendant Goldstein repeatedly told Sly Stone no Royalties were due and/or
18 payable to him and the Royalties collected by Defendant Goldstein and Defendant Even St.
19 were less than the advances Defendant Goldstein or Defendant Even St. had given to him.
20 Although Defendant Goldstein always told Sly Stone he would provide him with an accounting
21 of the Royalties he never gave Sly Stone an accounting. Sly Stone reasonably believed
22 Defendant Goldstein's misrepresentations.

23 70. Neither Defendant Goldstein nor any of the Defendant Music Companies
24 furnished Sly Stone with a true or accurate accounting of the Royalties received by them on
25 behalf of Sly Stone from 1989 to date. Sly Stone repeatedly asked Defendant Goldstein to see
26 reports or documents concerning the Royalties. Defendant Goldstein promised he "...would
27 take care of it..." However, Defendant Goldstein did not produce the requested documents.
28 Instead he told Sly Stone no Royalties were payable to him. During the twenty years

1 Defendant Goldstein and Defendant Even St. managed his career and his personal and
2 professional financial affairs, Sly Stone never personally received an accounting of the receipt
3 and disbursement of the Royalties, a W2, 1099, Schedule C, K 1, Royalty Statements, or any
4 other document showing the income attributed to him from Defendant Even St., any of the
5 other Defendant Music Companies or Defendant Goldstein. All of these documents were
6 intentionally and fraudulently concealed from Sly Stone by the Defendant Music Companies
7 and Defendant Goldstein and were not provided to him by the Royalty Collection Companies in
8 violation of the terms of their respective royalty collection agreements, including, but not
9 limited to the BMI Agreement. The fraudulent acts of concealment and fraudulent
10 representations that no Royalties were due and payable to Sly Stone by Defendant Music
11 Companies and Defendant Goldstein, were intended to, and did, cause Sly Stone to refrain from
12 instituting suit to enforce his rights to the Royalties. Sly Stone is informed and believes, and
13 thereon alleges that Defendants, and each of them, are estopped from asserting any of the
14 claims in this Complaint are barred by any statute of limitation.

15 71. Sly Stone is informed and believes, and thereon alleges, Defendant Goldstein
16 and the Defendant Music Companies, from 1989 to date, wrongfully collected millions of
17 dollars of Royalties.

18 d. No Performance by Defendant Even St.

19 72. Defendant Even St. failed to perform its obligations to Sly Stone under the terms
20 of the Oral Agreement or the Employment Agreement.³ First, during the first four years of the
21 Employment Agreement, Defendant Even St. was to pay Sly Stone the aggregate sum of five
22 hundred seventy five thousand dollars (\$575,000) in part payment of his 'wages.' Defendant
23 Even St. did not pay these wages to Sly Stone, a material breach of the Employment
24 Agreement, if the employment agreement was valid and enforceable, which is not admitted but
25 specifically denied. Second, Section 3 of the Employment Agreement provides Defendant Even
26 St. "...shall pay to Employee fifty percent (50%) of the Companies net profits..." and further

27 _____
28 ³ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment Agreement ended long before its stated five (5) year term because of material breaches.

1 provides "[t]he Employee's portion of the anticipated net profits shall be made available to the
2 Employee within ten (10) days of receipt of gross income." Neither Defendant Goldstein, nor
3 Defendant Even St., nor any of the other Defendant Music Companies made these payments in
4 material breach of the Employment Agreement⁴. Sly Stone is informed and believes and
5 thereon alleges, the Defendant Music Companies affiliated with Defendant Even St. were used
6 by Defendant Even St. for the collection, diversion, conversion, or misappropriation of
7 Royalties in violation of the Employment Agreement and the Oral Agreement. Third, Section 5
8 of the Employment Agreement⁵ provides Defendant Even St. "...agrees to maintain accurate
9 books and records of all transactions, which books and records may be inspected by...the
10 Employee himself..." Sly Stone repeatedly asked to see the books and records of Defendant
11 Even St. Defendant Goldstein and the other Defendant Goldstein Collaborators refused to
12 allow Sly Stone to inspect the books and records of Defendant Even St.

13 73. The material breaches of Defendant Even St. and its officers, directors and
14 managers rose to the level of non-performance of the Employment Agreement.⁶ Instead of
15 honoring the terms and conditions of the Employment Agreement⁷ and in violation of the Oral
16 Agreement, Defendant Even St. and its officers, directors and managers were diverting,
17 converting, or misappropriating virtually all the Royalties for the personal benefit of Defendant
18 Goldstein, Defendant Levine, Defendant Glenn Stone, and Fictitious Defendants.

19 Employment Agreement Void *Ab Initio*

20 74. The Employment Agreement⁸ was unconscionable at the time it was signed
21 because a) the terms of the agreement were misrepresented to Sly Stone; b) it required Sly
22 Stone to sign over all of his past-earned and ongoing Royalties in consideration for an offer of
23 employment by Defendant Even St.; c) it is against public policy for an employer to require an
24 employee to give up a substantial amount of his past-earned Royalties and/or future earnings

25
26 ⁴ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment Agreement ended long before its stated five (5) year term because of material breaches.

27 ⁵ See, *supra*, n.4.

27 ⁶ See, *supra*, n.4.

28 ⁷ See, *supra*, n.4.

⁸ See, *supra*, n.4.

1 for the purpose of gaining employment; d) the Employment Agreement provided Sly Stone's
2 future wages would be paid out of his past-earned or on-going future Royalties not from money
3 earned by virtue of the work done by Sly Stone in the course and as a result of his employment
4 by Defendant Even St.; e) Defendant Even St. made no representation it would and in fact did
5 not keep the employee's personal property in trust for the employee; f) there was a gross
6 disparity in the values exchanged in the Employment Agreement; and g) there was a gross
7 inequality in bargaining power at the time the Employment Agreement was signed with terms
8 unreasonably favorable to Defendant Even St.

9 75. Sly Stone is informed and believes, and thereon alleges that it is unconscionable
10 for an employee to pay an employer for the right to be employed and to continue to remain
11 employed. This was the de facto effect of the Employment Agreement.⁹ Sly Stone is informed
12 and believes and thereon alleges at the time the Employment Agreement¹⁰ was signed, the
13 Defendant Goldstein Collaborators, including Defendant Even St. understood and intended this
14 de facto effect of the Employment Agreement.

15 76. Sly Stone is informed and believes, and thereon alleges the true purpose and
16 objective of the Employment Agreement was illegal - for an employer to wrongfully acquire
17 and misappropriate an employee's separate personal property for the benefit of the principals of
18 the company. The Employment Agreement is against public policy, which protects an
19 employee's separate personal property from the employer.

20 **Defendant Even St.'s Misrepresentation to Royalty Collecting Companies**

21 77. Sly Stone reasonably relied on Defendant Goldstein, Defendant Even St. and its
22 officers, managers and directors to truthfully and honestly deal with the Defendant Royalty
23 Collecting Companies for Sly Stone's benefit.

24 78. Sly Stone is informed and believes, and thereon alleges Defendant Glenn Stone,
25 Defendant Goldstein, either individually or on behalf of Defendant Even St. forwarded only the
26

27 ⁹ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment
28 Agreement ended long before its stated five (5) year term because of material breaches.

¹⁰ See, *supra*, n.9.

1 assignment portion of the Employment Agreement, as opposed to the entire Employment
2 Agreement, to the Defendant Royalty Collecting Companies with the intent to, and for the
3 purpose of, diverting, converting or misappropriating Royalties.

4 79. Sly Stone is informed and believes, and thereon alleges Defendant Glenn Stone,
5 Defendant Goldstein, either individually or on behalf of Defendant Even St., intentionally
6 failed to disclose to the Defendant Royalty Collecting Companies that a) the assignment was
7 integrated with the Employment Agreement; b) the Employment Agreement had a term of five
8 (5) years; c) the Employment Agreement was void *ab initio*; or, d) in the alternative, if the
9 Employment Agreement was not void *ab initio*, which is not admitted but specifically denied,
10 the Employment Agreement had been materially breached by Defendant Even St..

11 80. Sly Stone is informed and believes, and thereon alleges during the stated term of
12 the Employment Agreement¹¹, there was never a recording contract with a third party for Sly
13 Stone's services endorsed by Sly Stone which would have extended the term of the
14 Employment Agreement beyond February 27, 1994. Sly Stone is informed and believes, and
15 thereon further alleges Defendant Goldstein, Defendant Glenn Stone, Defendant Even St. and
16 Fictitious Defendants did not disclose this information to the Defendant Royalty Collecting
17 Companies because they intended to deceive the Defendant Royalty Collecting Companies to
18 believe the assignment portion of the Employment Agreement was a separate and distinct
19 agreement.

20 81. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein's,
21 Defendant Glenn Stone's and Defendant Even St.'s failure to disclose the terms of the alleged
22 integrated Employment Agreement or the Oral Agreement to the Defendant Royalty Collecting
23 Companies made the disclosure of only the assignment portion of the Employment Agreement
24 deceptive.

25 82. Sly Stone is informed and believes, and thereon further alleges the Royalty
26 Collecting Companies did not know of the existence and terms of the entire Employment
27

28 ¹¹ See, *supra*, n.9.

1 Agreement until 2009. Sly Stone was not informed by Defendant Goldstein, Defendant Even
2 St. or its officers, managers or directors, including Defendant Topley and Defendant Glenn
3 Stone, of Defendant Even St.'s concealment of the existence and terms of the Employment
4 Agreement and/or the Oral Agreement to the Defendant Royalty Collecting Companies.

5 83. Sly Stone is informed and believes, and thereon alleges he was substantially and
6 materially harmed as a result of concealment by Defendant Goldstein, Defendant Glenn Stone,
7 Defendant Even St. and some or all of the other Defendant Music Companies of material
8 information from the Defendant Royalty Collecting Companies regarding the Employment
9 Agreement¹², including, but not limited to, the five (5) year term of the Employment
10 Agreement and the material breaches by Defendant Even St. of the Employment Agreement
11 and the Oral Agreement. The Defendant Royalty Collecting Companies were fraudulently
12 induced to pay Royalties to the Defendant Music Companies, even though the Employment
13 Agreement was void *ab initio*, breached or expired by its terms and therefore not operative.

14 84. Sly Stone is informed and believes, and thereon alleges, the Defendant Royalty
15 Collecting Companies should have paid Royalties to Sly Stone, not to the Defendant Music
16 Companies.

17 Defendant Avenue Records

18 85. Sly Stone is informed and believes and thereon alleges Defendant Avenue
19 Records had and has the same principals as Defendant Even St., was and is located in the same
20 offices as Defendant Even St., and employed the same employees as Defendant Even St.

21 86. Sly Stone is further informed and believes and thereon alleges Defendant
22 Avenue Records was "paid" out of the Royalties a ten percent (10%) administration fee and
23 retained an additional fifty percent (50%) of all Royalties it collected on behalf of Defendant
24 Even St. Sly Stone is informed and thereon alleges Defendant Avenue Records was used by the
25 Defendant Goldstein Collaborators as a vehicle to improperly divert, convert or misappropriate
26
27

28 ¹² See, *supra*, n.9.

1 the majority of the Royalties collected by Defendant Avenue Records for the personal benefit
2 of Defendant Goldstein, Defendant Levine, Defendant Glenn Stone, and Fictitious Defendants.

3 87. Sly Stone did not grant Defendant Avenue Records any ownership, or other
4 interest in, nor did he know or consent to Defendant Avenue Records collecting his Royalties.
5 He first learned an ownership interest in the Royalties had apparently been assigned to
6 Defendant Avenue Records by Defendant Even St. and that Defendant Avenue Records was
7 collecting Royalties in late 2009.

8 **Defendant Goldstein Majoken**

9 88. Plaintiffs are informed and believe, and thereon allege on or about July 30,
10 1996, two (2) years after the end of the term¹³ stated in the Employment Agreement, and a
11 mere twenty-seven (27) days after the IRS served Defendant BMI with a Release of Property
12 from Levy for the benefit of Sly Stone, Defendant Even St. established a fully owned-
13 subsidiary corporation named "Majoken, Inc.," registered in New York ("Goldstein Majoken").
14 Defendant Goldstein Majoken was and is *not* Roberts Majoken nor was Defendant Goldstein
15 Majoken related in any way to Roberts Majoken. It had a different corporate number and
16 federal employer identification number. Roberts, the sole shareholder, officer, and/or director
17 of Roberts Majoken has never consented to the formation of Defendant Goldstein Majoken and
18 had no knowledge of its creation or existence until 2009. Plaintiffs are informed and believe,
19 and thereon further allege Defendant Goldstein Majoken was created by the officers and
20 directors of Defendant Even St., Defendant Goldstein, Defendant Glenn Stone and Defendant
21 Topley, for the purpose of improperly and unlawfully acquiring through fraud and deception
22 Royalties collected by Defendant BMI for the benefit of Sly Stone.

23 89. Defendant Glenn Stone wrote a letter dated August 5, 1996 to Defendant BMI
24 alluding to Roberts Majoken and instructed Defendant BMI to send all Royalties payable to
25 "Majoken, Inc." to a new address, the Defendant Even St.'s office in Los Angeles, State of
26 California. Plaintiffs are informed and believe, and thereon further allege, by establishing a

27
28 ¹³ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment Agreement ended long before its stated five (5) year term because of material breaches.

1 new corporation with the same name as the entity to which Defendant BMI had sent Royalties
2 in the past, Defendant Even St. and the other Defendant Goldstein Collaborators deceived
3 Defendant BMI. As a result of that deception the Defendant Goldstein Collaborators received
4 checks for Royalties from Defendant BMI totaling approximately six hundred thousand dollars
5 (\$600,000) between 1996 and 1999 payable to "Majoken, Inc. f/s/o Sylvester Stewart c/o
6 Defendant Even St. Productions, Ltd."

7 90. Sly Stone is informed and believes and thereon alleges Defendant BMI knew or
8 should have known through the exercise of reasonable due diligence of the fraudulent activity
9 of the Defendant Goldstein Collaborators, which resulted in Sly Stone being defrauded out of
10 Royalties due and payable to him from Defendant BMI. Defendant BMI mailed Sly Stone's
11 Royalties to Defendant Goldstein Majoken before Defendant BMI received the August 5, 1996
12 authorization letter from Defendant Glenn Stone and even *before* Defendant Goldstein
13 Majoken was formed.

14 91. Sly Stone is informed and believes, and thereon alleges Defendant BMI paid Sly
15 Stone's second quarter of 1995 Royalties to Majoken, Inc. c/o Defendant Even St. Productions
16 Ltd. in February 1996, five (5) months before Defendant Glenn Stone sent an authorization
17 letter and five (5) months before the corporate formation and registration of Defendant
18 Goldstein Majoken.

19 92. Sly Stone is informed and believes and thereon alleges Defendant Goldstein
20 Majoken had the same principals as Defendant Even St., was located in the same offices as
21 Defendant Even St., and employed the same employees as Defendant Even St. Sly Stone is
22 further informed and believes and thereon alleges Defendant Goldstein Majoken was "paid" out
23 of the Royalties a ten percent (10%) administration fee and retained an additional fifty percent
24 (50%) of all Royalties it collected on behalf of Defendant Even St.

25 93. Sly Stone is informed and believes, and thereon alleges, Defendant Goldstein
26 Majoken was used by Defendant Goldstein Collaborators as a vehicle to improperly divert,
27 convert or misappropriate the majority of the Royalties collected by Defendant Goldstein
28

1 Majoken for the personal benefit of Defendant Goldstein, Defendant Levine, Defendant Glenn
2 Stone, and Fictitious Defendants.

3 94. Sly Stone did not grant Defendant Goldstein Majoken any ownership, or other
4 interest in, nor did he know or consent to, Defendant Goldstein Majoken collecting his
5 Royalties. He first learned an ownership interest in the Royalties had apparently been assigned
6 to Defendant Goldstein Majoken and that Defendant Goldstein Majoken was collecting
7 Royalties in late 2009.

8 Money Acquired From Defendant Mercantile National Bank under False
9 Pretenses

10 95. Plaintiffs are informed and believe, and thereon allege in 1997 Defendant
11 Hackney was Vice President of Entertainment Lending at Defendant Mercantile National Bank,
12 whose assets and liabilities were subsequently acquired by Defendant FCB Bancorp.

13 96. Plaintiffs are informed and believe, and thereon allege in 1997 Defendant
14 Hackney either knew or should have known through due diligence customary and standard in
15 the banking industry that as of 1997 the Music Companies had no right or entitlement to collect
16 Royalties. There was no agreement between Defendant Goldstein Majoken and Sly Stone. The
17 only assignment of Royalties due to Sly Stone from Defendant BMI was in favor of Roberts
18 Majoken. By 1997 the Employment Agreement by its own terms had expired. Defendant
19 Hackney made no attempt to communicate with Sly Stone regarding the alleged entitlement of
20 Defendant Goldstein Majoken to collect the Royalties from Defendant BMI.

21 97. As of 1997 Defendant Hackney was Vice President of Entertainment Lending
22 for Defendant Mercantile Bank, had worked in the banking industry for over fifteen years and
23 in 2007 swore under oath she could attest to the standard banking practices for making loans to
24 small, closely held corporations. It was not reasonable for Defendant Hackney to believe a
25 document dated eight (8) years earlier purporting to assign millions of dollars of Royalties for
26 one dollar (\$1) was an operative or complete document. Plaintiffs are informed and believe,
27 and thereon allege Defendant Hackney either knew, or should have known through the exercise
28 of reasonable due diligence, a contract for personal services of a musician is not enforceable

1 against the musician after seven (7) years pursuant to California *Civil Code* § 2855(a), and any
2 purported assignment, if part of personal services contract, more than seven (7) years old,
3 would be unenforceable under California law.

4 98. Plaintiffs are informed and believe, and thereon allege, from approximately
5 1997 to present, Defendant Hackney assisted the Music Companies and other Goldstein-
6 controlled corporations in obtaining approximately seventeen (17) loans for at least five million
7 dollars (\$5,000,000) from Defendant Mercantile National Bank secured by the Royalties and
8 other assets owned and/or controlled by Defendant Goldstein and/or the Music Companies.

9 99. Plaintiffs are informed and believe, and thereon allege Defendant Hackney had
10 complete access to and reviewed all the financial records from the Music Companies, including
11 loan documents, bank account statements and tax returns to determine the Music Companies
12 creditworthiness. Prior to Defendant Mercantile National Bank making loans to the Music
13 Companies Defendant Hackney either knew, or should have known, the other Defendant
14 Goldstein Collaborators improperly diverted, converted or misappropriated assets out of the
15 Music Companies for the personal benefit of Defendant Goldstein, Defendant Glenn Stone,
16 Defendant Levine, and Fictitious Defendants and to the detriment of Sly Stone.

17 100. Plaintiffs are informed and believe, and thereon allege Defendant Hackney
18 knowingly and improperly aided and abetted Defendant Goldstein and Defendant Music
19 Companies, including Defendant Goldstein Majoken, to acquire loans from Defendant
20 Mercantile National Bank for which the Music Companies did not qualify.

21 101. Plaintiffs are informed and believe, and thereon allege Defendant Goldstein
22 Majoken's officers, managers and/or directors, converted proceeds of the loans acquired from
23 Defendant Mercantile National Bank for the personal benefit of Defendant Goldstein,
24 Defendant Levine, Defendant Glenn Stone, and Fictitious Defendants.

25 102. Sly Stone has been substantially harmed because the Defendant Goldstein
26 Collaborators with the aid and assistance of Defendant Hackney, unlawfully diverted,
27 converted, or misappropriated the Royalties.

28 ///

1 **Fabricating Tax Returns**

2 103. Plaintiffs are informed and believe, and thereon allege in or about 2003
3 Defendant Hackney, either individually and/or through her corporation, Defendant Colombia
4 Street, Inc., became the personal financial consultant to the Music Companies.

5 104. Sly Stone is informed and believes, and thereon alleges in or about 2008
6 Defendant Hackney assisted the Music Companies to hide assets, specifically the Royalties,
7 from both Sly Stone and Defendant Levine after Defendant Levine filed a palimony suit against
8 Defendant Goldstein. Defendant Hackney prepared fabricated federal and state tax returns for
9 Sly Stone purportedly for the tax years 2003 through 2006. These tax returns purported to
10 show Sly Stone earned money which Sly Stone did not receive. Sly Stone did not agree with
11 the contents of these fabricated tax returns, did not sign them, and did not file them.

12 105. Sly Stone is informed and believes, and thereon further alleges these tax returns
13 were prepared for the purpose of hiding Defendant Music Companies assets that were
14 misappropriated from the Defendant Music Companies by Defendant Goldstein, Defendant
15 Topley and Defendant Glenn Stone. Sly Stone is informed and believes, and thereon further
16 alleges Defendant Hackney, Defendant Goldstein, Defendant Topley and Defendant Glenn
17 Stone planned and believed based on the history of Defendant Goldstein's relationship with Sly
18 Stone and Sly Stone's drug addiction that Sly Stone would sign the tax returns without
19 reviewing them with anyone or reading them.

20 **Misrepresentations to the Internal Revenue Service by Defendant Even St.**

21 106. In 2009 Sly Stone first discovered Defendant Even St. falsely reported Sly Stone
22 as a fifty percent (50%) shareholder of Defendant Even St. on a 2004 IRS Form 1120 for
23 Defendant Even St. which Defendant Goldstein represented in a declaration under oath dated
24 July 3, 2007 was filed with the IRS. Sly Stone had no knowledge Defendant Even St. was
25 misrepresenting Sly Stone as a shareholder of Defendant Even St. to the IRS.

26 107. Sly Stone never knowingly agreed to be nor knowingly consented to become a
27 shareholder of Defendant Even St. He never knowingly purchased any shares of Defendant
28 Even St. He never knowingly authorized any Royalties due to him from Defendant Even St. to

1 be used to purchase shares of Defendant Even St. on his behalf. He never knowingly
2 authorized any other consideration to be used to acquire shares of, or an ownership interest in,
3 Defendant Even St. Sly Stone has never knowingly authorized any loans to be made to him by
4 Defendant Even St. or any other person or entity to purchase shares of, or an ownership interest
5 in Defendant Even St.

6 108. Sly Stone is informed and believes, and thereon alleges Defendant Even St.'s
7 officers and directors, Defendant Goldstein, Defendant Glenn Stone, and Defendant Topley
8 knowingly fabricated and manufactured the corporate records of Defendant Even St. to further
9 their scheme to deceive and convince the Defendant Royalty Collecting Companies that
10 payments of Royalties to the Defendant Music Companies were authorized by Sly Stone or
11 otherwise legitimate.

12 **Misappropriation / Conversion of Money from Music Companies**

13 109. Sly Stone is informed and believes, and thereon alleges, all of the financial
14 records for the Music Companies are maintained in Los Angeles County, State of California.

15 110. Sly Stone is informed and believes, and thereon alleges, Defendant Goldstein is
16 the sole signatory on each of the bank accounts held by or for the benefit of the Music
17 Companies.

18 111. Sly Stone is informed and believes, and thereon alleges, the Goldstein
19 Collaborators scheme involved, and continues to involve, making unauthorized and improper
20 transfers of money from the Defendant Music Companies for the personal benefit of Defendant
21 Goldstein, Defendant Levine, Defendant Glenn Stone, and Fictitious Defendants over which
22 Defendant Goldstein and/or Defendant Levine exercise complete dominion and control.

23 **Diversion of Money Due to Sly Stone**

24 112. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein,
25 Defendant Levine, Defendant Glenn Stone, and Defendant Topley, conspired to divert, convert,
26 or misappropriate, the Royalties and intellectual property belonging to Sly Stone including the
27 trade name and trademark Sly and The Family Stone.

28

1 113. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein,
2 Defendant Topley, Defendant Levine, and Defendant Glenn Stone used the misappropriated
3 Royalties to pay for their personal expenses, including to pay for, furnish and maintain their
4 personal residences.

5 114. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein and
6 Defendant Levine used the misappropriated Royalties to pay legal fees associated with various
7 lawsuits commenced by and/or defended for their benefit, as well as for legal fees associated
8 with the purchase of, and financing derived from, the personal purchase and/or maintenance of
9 numerous real estate properties, located throughout the world (the "Properties"), as well as for
10 other personal matters.

11 115. Sly Stone is informed and believes, and thereon alleges, in or around December
12 2005, Defendant Even St., without the knowledge or consent of Sly Stone, received a check in
13 the amount of eight hundred twenty-five thousand dollars (\$825,000.00) from Sony Music as
14 an advance against Royalties.

15 116. Sly Stone is informed and believes, and thereon alleges, Defendant Goldstein,
16 Defendant Topley, Defendant Levine and Defendant Glenn Stone diverted, converted, or
17 misappropriated the entire eight hundred twenty five thousand dollars (\$825,000.00) for their
18 own personal use to acquire and maintain some or all of the Properties.

19 117. Sly Stone is informed and believes, and thereon alleges, in or around November
20 2006, Defendant Even St., without the knowledge or consent of Sly Stone, entered into an
21 agreement with recording artist Janet Jackson, among others, to settle certain copyright
22 infringement claims made by Defendant Even St. allegedly on behalf of, but without the
23 knowledge or consent of, Sly Stone.

24 118. Sly Stone is informed and believes, and thereon alleges Defendant Glenn Stone
25 negotiated the settlement with representatives of Janet Jackson on behalf of Defendant Even St.
26 and Defendant Even St. received two hundred fifty thousand dollars (\$250,000.00)

27 119. Sly Stone is informed and believes, and thereon alleges, Defendant Goldstein,
28 Defendant Topley, Defendant Levine, and Defendant Glenn Stone diverted, converted or

misappropriated, the two hundred fifty thousand dollars (\$250,000.00) for their own personal gain and benefit.

Misappropriation and/or Conversion of Assets by Defendant Goldstein, Defendant Levine, Defendant Glenn Stone and Defendant Topley to Purchase Real Property

120. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein, with the aid and assistance of Defendant Levine, Defendant Glenn Stone, Defendant Topley, and Defendant Hackney wrongfully diverted converted or misappropriated Royalties to purchase the Properties, without the knowledge or consent of Sly Stone.

121. Sly Stone is informed and believes and thereon alleges, the Properties Defendant Goldstein and/or Defendant Levine acquired or maintained via the improper diversion, conversion, or misappropriation of Royalties include, but may not be limited to:

<u>Address</u>	<u>Owners of Record</u>	<u>Year Acquired</u>
(a) 22058 Pacific Coast Highway, Malibu, California	Gerald Defendant Goldstein Revocable Trust	1976
(b) 1027 Napoli Drive, Pacific Palisades, California	Amadeus Trust	2000
(c) 15 East 69 th Street, #4D, New York, New York	Amadeus Trust	2000
(d) 3800 Wailea Alanui, #B101, Wailea, Maui, Hawaii	Claire Levine and Gerald Goldstein	2003
(e) 11847 Gorham Avenue, #303, Los Angeles, California	Amadeus Trust	2004
(f) 199 Knightsbridge, #602, London, England SW7 1RH	Avitta Properties Limited	2004
(g) 888 Napoli Drive, Pacific Palisades, California	Amadeus Trust	2005
(h) 40 Bond Street, #TH4, New York, New York	Amadeus B, LLC	2006

- 1 (i) 3800 Wailea Alanui, #E201, Wailea, Maui, Amadeus Trust 2006
2 Hawaii
- 3 (j) 12 Woodcock Lane, Westport, Connecticut J. Levine 2006

4 122. Sly Stone is informed and believes, and thereon alleges, the total approximate
5 current fair market value of the Properties is over eighty million dollars (\$80,000,000).

6 123. Sly Stone is informed and believes, and thereon alleges, the Properties were
7 purchased by Defendant Goldstein and Defendant Levine either through, or with assistance of,
8 the other Defendant Goldstein Collaborators and/or the Defendant Goldstein Entities.

9 124. Sly Stone is informed and believes, and thereon alleges, titles to the Properties
10 were transferred by Defendant Goldstein and Defendant Levine to the owners of record set
11 forth above in ¶121 of the Complaint.

12 125. Sly Stone is informed and believes, and thereon further alleges purported
13 owners, shareholders, managers, directors, principals, settlors, or trustees Defendant Goldstein
14 Trust, Defendant Amadeus Trust, Defendant Amadeus B, Defendant Avitta Properties and
15 Defendant J. Levine are not bona fide purchasers for value of the Properties.

16 126. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein
17 and/or Defendant Levine used Defendant Amadeus Capital and Defendant Amadeus Trust for
18 the purpose of hiding and/or sheltering certain Properties, acquired with Royalties diverted,
19 converted, or misappropriated from Sly Stone.

20 127. The purchase of each of the Properties was made without the consent or
21 knowledge of Sly Stone, and without registering the Properties in Sly Stone's name or
22 acknowledging Sly Stone's constructive ownership of the Properties.

23 128. Sly Stone is informed and believes, and thereon alleges, in addition to
24 purchasing the Properties with Royalties diverted, converted or misappropriated from Sly
25 Stone, Defendant Goldstein and Defendant Levine used these funds to maintain the Properties
26 to the detriment of the Sly Stone.
27
28

1 129. The officers and directors of the Defendant Music Companies, including
2 Defendant Goldstein, Defendant Topley and Defendant Glenn Stone have failed to employ
3 corporate formalities required by officers and directors, abandoned any duty of care or duty of
4 loyalty, and engaged in self-dealing, using the Defendant Music Companies as merely a tool to
5 help themselves defraud Sly Stone out of the Royalties.

6 **Discovery of the Contract and Tort Causes of Action**

7 130. In the relationship between Sly Stone and Defendant Goldstein, Sly Stone was
8 entirely dependent on Defendant Goldstein. Defendant Goldstein told Sly Stone there were
9 little or no Royalties and because of liens filed against and levies on the Royalties by the IRS
10 and FTB, other unspecified "problems with the IRS" and that because of these issues Sly Stone
11 could not have any assets in his name or receive the Royalties directly. Sly Stone did not have
12 an independent accountant or an attorney. Until early 2008 Sly Stone survived on "advances"
13 against his Royalties from Defendant Goldstein or the Defendant Music Companies. In late
14 2007 Defendant Goldstein told Sly Stone neither he nor the Defendant Music Companies could
15 give Sly Stone any more money because of an IRS lien and other unspecified "problems with
16 IRS." However, the Defendant Goldstein Collaborators continued to receive millions of dollars
17 in Royalties.

18 131. Sly Stone did not begin to learn of the fraud perpetrated against him until 2008
19 when Defendant Goldstein refused to give him any more "advances" against his Royalties, he
20 become homeless and dependant on social security to survive, and his friends began calling the
21 Defendant Royalty Collecting Companies. The Defendant Royalty Collecting Companies
22 refused to provide any accounting of the Royalties. However, in 2009, once they were provided
23 with a copy of the Employment Agreement they agreed to hold the Royalties pending
24 clarification of the Defendant Music Companies right or authority to collect and receive the
25 Royalties. On multiple occasions in 2008 Sly Stone and his authorized representative, Charles
26 Richardson, issued written demands to Defendant Goldstein and Defendant Even St. to provide
27 to Sly Stone an accounting of the Royalties, Royalty statements and agreements with
28 performing rights societies, State and Federal Income Tax returns, communications to or from

1 the IRS and FTB, copies of W-2s, 1099s or other similar documents issued to or in Sly Stone's
2 name, invoices from and evidence of payment to Defendant Even St., and other financial
3 documents pertaining to Sly Stone's personal and professional financial affairs. None of these
4 documents were provided to Sly Stone by Defendant Goldstein or Defendant Even St.

5 132. On September 15, 2008, Defendant Levine filed a complaint against Defendant
6 Goldstein, Defendant Amadeus Trust, Defendant Goldstein Trust, Defendant Amadeus B,
7 Defendant Amadeus Capital, and Defendant Avitta Properties asserting multiple causes of
8 action including palimony, battery, breach of trust ("Defendant Levine Complaint"). Sly Stone
9 first learned of and obtained a copy of the Defendant Levine Complaint in late 2009. Until Sly
10 Stone received a copy of the Defendant Levine Complaint, he had no knowledge of the real
11 property assets acquired with Royalties diverted, converted or misappropriated by the Goldstein
12 Collaborators and the fraudulent transfers of real property by Defendant Goldstein and
13 Defendant Levine to other entities.

14 133. On June 7, 2007 Defendant Glenn Stone, individually and on behalf of
15 shareholders of some of Defendant Goldstein's affiliated companies, including Defendant Even
16 St., Defendant Avenue Records, Defendant Goldstein Majoken, and Defendant Goldstein
17 Music, sued Defendant Goldstein, Defendant Amadeus Trust, Defendant Goldstein Trust,
18 Defendant Amadeus Capital, Defendant Amadeus B, Defendant Levine, and Defendant J.
19 Levine, alleging a number of torts in a verified complaint, including misappropriation of
20 corporate assets and conversion ("Defendant Glenn Stone Complaint"). Sly Stone did not learn
21 of, or obtain a copy of the Defendant Glenn Stone Complaint until late 2009. The Defendant
22 Glenn Stone Complaint stated, among other things, that Defendant Goldstein was breaching
23 fiduciary duties owed to the Music Companies and misappropriating corporate assets for his
24 personal benefit. Until Sly Stone received a copy of the Defendant Glenn Stone Complaint, he
25 had no way of learning this information because the business records and information
26 pertaining to the operations of the Music Companies were not provided to Sly Stone and were
27 kept hidden from Sly Stone by the Defendant Goldstein Collaborators. The Music Companies
28 were all privately held companies and their company information was not available to the

1 public or to Sly Stone. Sly Stone is informed and believes and thereon alleges Defendant
2 Glenn Stone was an officer, director, and manager of the Music Companies. He knew of,
3 consented to, and/or participated in the misappropriation of Royalties.

4 134. In connection with the Defendant Glenn Stone lawsuit, Defendant Goldstein
5 filed an affidavit dated July 3, 2007 executed by him under penalty of perjury ("Defendant
6 Goldstein Affidavit"). The Defendant Goldstein Affidavit included as an attachment a copy of
7 a 2004 IRS Form 1120 for Even St. Productions Ltd. ("Defendant Even St. Form 1120"), which
8 listed Sly Stone as a fifty percent (50%) shareholder of Defendant Even St. Sly Stone did not
9 learn of or obtain a copy of the Defendant Goldstein Affidavit or the Defendant Even St. Form
10 1120 until late 2009. Until Sly Stone received a copy of the Defendant Goldstein Affidavit and
11 Defendant Even St. Form 1120, he had no way of knowing that Defendant Even St. considered
12 or represented him as a fifty percent (50%) shareholder of Defendant Even St. because business
13 records pertaining to Defendant Even St., including Defendant Even St.'s tax returns, were kept
14 hidden from Sly Stone.

15 135. On May 27, 2008, several members from the band WAR, Harold Brown, Morris
16 Dickerson, Lee Oskar Levitin, and Howard Scott, sued Defendant Goldstein and some of his
17 related entities in a second amended complaint alleging, among multiple causes of action,
18 breach of fiduciary duty and constructive fraud ("WAR Complaint"). On October 6, 2009, the
19 same plaintiffs filed a complaint against Defendant Goldstein and some of the related entities
20 seeking declaratory relief, and accounting, and a constructive trust for unjust enrichment
21 ("WAR Complaint II"). Collectively, the WAR Complaints provided evidence of a pattern and
22 practice of Defendant Goldstein diverting, converting or misappropriating Royalties due to
23 writers of musical compositions. Sly Stone did not learn of the WAR Complaints until late
24 2009 and early 2010.

25 136. Sly Stone did not obtain a copy of the Employment Agreement until
26 approximately June 2009 when it was handed to him by Willem Alkema who received the
27 Employment Agreement from two Sly Stone biographers, Edwin and Arno Konings (the
28 "Konings"), from the Netherlands. The Konings were given a copy of the Employment

1 Agreement by one of the approximately 250 people they interviewed for the book they are
2 currently writing on the career and music of Sly Stone. Until Sly Stone received the
3 Employment Agreement in approximately June 2009, he had not read and did not have a copy
4 of the Employment Agreement.

5 137. After obtaining and reviewing copies of the Defendant Levine Complaint, the
6 Defendant Glenn Stone Complaint, and the WAR Complaint, and after finally receiving a copy
7 of his Employment Agreement in 2009, Sly Stone had sufficient information to begin to
8 investigate the facts supporting the causes of action set forth in this Complaint.

9
10 **FIRST CAUSE OF ACTION**

11 **(Breach of Contract)**

12 **(Sly Stone's Claim Against Defendants Goldstein, Glenn Stone,**
13 **Topley, Even St., and Does 1 through 10, inclusive)**

14 138. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
15 every allegation from each and every paragraph before and after this paragraph, as though said
16 paragraphs were set forth in full herein.

17 139. On or about February 27, 1989, as the result of misrepresentations by Defendant
18 Goldstein and Defendant Glenn Stone, Sly Stone signed the Employment Agreement¹⁴
19 believing he was signing a document that contained the terms of the Oral Agreement.

20 140. Sly Stone did all he was required to do under the Employment Agreement¹⁵ And
21 the Oral Agreement Sly Stone performed all conditions, covenants and promises to be
22 performed on his part.

23 141. Pursuant to Section 1a of the Employment Agreement, the stated term of the
24 agreement was five (5) years.¹⁶

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26
27 ¹⁴ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment
Agreement ended long before its stated five (5) year term because of material breaches.

28 ¹⁵ See, *supra*, n.14.

¹⁶ See, *supra*, n.14.

1 142. As previously stated herein Defendant Even St. repeatedly breached the terms of
2 the Employment Agreement by failing to perform at the times required or in the manner
3 required of Defendant Even St. For example, in breach of section 1a of the Employment
4 Agreement, Defendant Even St. did not pay Sly Stone seventy five thousand dollars
5 (\$75,000.00) after the first year, one hundred thousand dollars (\$100,000.00) after the end of
6 the second year, one hundred fifty thousand dollars (\$150,000.00) at the end of third year, or
7 two hundred fifty thousand dollars (\$250,000.00) at the end of the fourth year.

8 143. In the further breach of the Employment Agreement¹⁷ Defendant Even St. failed
9 to pay Sly Stone fifty percent (50%) of the net profits, as defined therein. Pursuant to Section 4
10 of the Employment Agreement, the net profits were to have been paid to Sly Stone within thirty
11 (30) days of August 15th and thirty (30) days of February 15th each year. Rather than pay Sly
12 Stone pursuant to the Employment Agreement, Defendant Goldstein, Defendant Glenn Stone,
13 Defendant Topley and Fictitious Defendant diverted, converted or misappropriated all the Sly
14 Stone Royalties received by Defendant Music Companies to themselves, either directly or
15 indirectly, via other entities owned and/or controlled by the said defendants.

16 144. Defendant Goldstein, Defendant Glenn Stone, Defendant Topley and Fictitious
17 Defendants exceeded the scope of any limited power of attorney stated in the Employment
18 Agreement, which was not a term of the Oral Agreement, by exercising such authority after the
19 Employment Contract¹⁸ was breached and/or after the term of the Employment Agreement¹⁹.

20 145. Sly Stone was harmed by the above-named defendants' breach of the
21 Employment Agreement and the Oral Agreement in an amount to be determined according to
22 proof at trial but expected to be in excess of one million dollars (\$1,000,000).

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27 ¹⁷ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment
Agreement ended long before its stated five (5) year term because of material breaches.

28 ¹⁸ See, *supra* n. 17.

¹⁹ See, *supra*, n.17.

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1 obtaining loans from the Defendant Mercantile National Bank secured by the Royalties; and i)
2 taking out loans or obtaining credit based on future Royalties, some of which said loans were
3 collateralized by Properties acquired, in whole or in part, with the Royalties. The proceeds of
4 said loans and credit were used for the personal benefit of Defendant Goldstein, Defendant
5 Levine, and Defendant Glenn Stone.

6 149. As a direct, actual, and foreseeable result of the above-named Defendants'
7 conduct, Sly Stone has been harmed and damaged in an amount that has not yet been fully
8 ascertained, but is expected to be in excess of one million dollars (\$1,000,000).

9
10 **THIRD CAUSE OF ACTION**

11 **(Unjust Enrichment)**

12 **(Sly Stone's Claim Against Defendants Goldstein, Levine, Glenn Stone,**
13 **Topley, Even St., Goldstein Majoken, Goldstein Music, Avenue Records and Does 1**
14 **through 10, inclusive)**

15 150. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
16 every allegation from each and every paragraph before and after this paragraph, as though said
17 paragraphs were set forth in full herein.

18 151. Despite repeated demands from Sly Stone for payment of his Royalties, the
19 above-named defendants have not fairly and/or properly transferred Sly Stone's Royalties or
20 other monies due to Sly Stone pursuant to the terms of the Employment Agreement²¹ or the Oral
21 Agreement.

22 152. The above-named Defendants have been and will be unjustly enriched if they
23 are allowed to retain the Royalties and intellectual property of Sly Stone, including but not
24 limited to the trademark Sly and The Family Stone which they diverted, converted, or
25 misappropriated without properly and fairly compensating Sly Stone.

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28 ²¹ See, *supra*, n.17.

1 **FOURTH CAUSE OF ACTION**

2 **(Rescission and Restitution)**

3 **(Sly Stone's Claim Against Defendants Goldstein, Glenn Stone,**

4 **Topley, Even St. and Does 1 through 10)**

5 153. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
6 every allegation from each and every paragraph before and after this paragraph, as though said
7 paragraphs were set forth in full herein.

8 154. The conduct of the above-named defendants failed to comport and/or comply
9 with Defendant Even St.'s obligations under the Employment Agreement²² or the Oral
10 Agreement. In particular, the above-named defendants have denied Sly Stone the benefit of his
11 bargain²³ with Defendant Even St. and such denial is so dominant and substantial as to frustrate
12 the purported purpose of the Employment Agreement²⁴ and the Oral Agreement. Despite
13 aiding and abetting Defendant Even St. to breach and repudiate the Employment Agreement
14 and the Oral Agreement, none of the above-named defendants have tendered back to Sly Stone
15 any of the millions of dollars they have collectively received as a result of the Employment
16 Agreement.

17 155. The actions of the above-named Defendants, which justify the rescission of the
18 Employment Agreement²⁵ and the Oral Agreement, were not revealed or known to Sly Stone
19 within the applicable statute of limitations and could not have been discovered earlier by Sly
20 Stone, who at all relevant times exercised appropriate due diligence. Subsequent to discovering
21 the existence of the Employment Agreement and the facts justifying rescission of the
22 Employment Agreement and the Oral Agreement, Sly Stone gave and hereby gives Defendant
23 Even St. notice of rescission of the Employment Agreement and the Oral Agreement. Sly
24 Stone has not received any benefits from the above-named defendants pursuant to the
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26 ²² Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment
27 Agreement ended long before its stated five (5) year term because of material breaches.

28 ²³ See, *supra*, n.22.

²⁴ See, *supra*, n.22.

²⁵ See, *supra*, n.22.

1 Employment Agreement or the Oral Agreement in excess of sums previously received by the
2 above-named defendants. An actual controversy has arisen and now exists because Sly Stone
3 contends, and each of said defendants dispute, the Employment Agreement has been duly
4 rescinded. Sly Stone seeks a declaration that the Employment Agreement has been duly
5 rescinded and that Sly Stone is entitled to restitution of any Royalties received by the above
6 named defendants pursuant to, or as a result of, the Employment Agreement or the Oral
7 Agreement. A judicial declaration is necessary and appropriate at this time so that the parties
8 may ascertain their respective rights and obligations under the Employment Agreement and the
9 Oral Agreement.

10 156. Sly Stone is entitled to restitution of all amounts paid to, or for the benefit of the
11 above-named defendants in consideration of the representations and promises Defendant
12 Goldstein and Defendant Even St., above-named Defendants have failed to honor, as necessary
13 to make Sly Stone whole. In addition, Sly Stone is entitled to an order rescinding the
14 Employment Agreement and the Oral Agreement.

15
16 **FIFTH CAUSE OF ACTION**

17 (Accounting)

18 (Sly Stone's Claim Against Defendants Goldstein Collaborators
19 and Royalty Collecting Companies)

20 157. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
21 every allegation from each and every paragraph before and after this paragraph, as though said
22 paragraphs were set forth in full herein.

23 158. As a result of Defendant Goldstein, individually and on behalf of Defendant
24 Even St. agreeing to provide Sly Stone with financial advice and to manage and take care of
25 Sly Stone's personal and financial interests and professional career a contractual and a fiduciary
26 relationship existed between Defendant Goldstein Collaborators and Sly Stone.

27 159. Due to the wrongful acts of the above named defendants as alleged herein and
28 the transactions by and between Defendant Goldstein Collaborators and Defendant Royalty

1 Collecting Companies, Sly Stone is entitled to an accounting of the receipt and disbursement of
2 his Royalties and payment of an amount that can best be determined by reference to the
3 information in the possession of the above named defendants.

4 160. Defendant Even St. failed to provide a true and accurate accounting to Sly Stone
5 of the Royalties received by the Defendant Goldstein Collaborators and refused to provide
6 important and relevant information to Sly Stone within the applicable statute of limitations.

7 161. Sly Stone has demanded an accounting from the Defendant Royalty Collection
8 Companies of the Royalties and other Royalties they have paid to the Defendant Music
9 Companies. The Defendant Royalty Collection Companies, with the exception of Defendant
10 BMI have failed and or refused to provide the requested accounting to Sly Stone. No other
11 legal remedy can afford Sly Stone adequate relief because only an accounting can ascertain the
12 actual amount of money the above named defendants owe to Sly Stone.

13 162. Based on the foregoing Sly Stone is entitled to an accounting and requests the
14 Court to order such an accounting from the above named defendants.

15
16 SIXTH CAUSE OF ACTION

17 (Breach of Fiduciary Duty)

18 (Sly Stone's Claim Against Defendants Goldstein, Glenn Stone,
19 Topley, Levine, Even St., and Does 1 through 10)

20 163. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
21 every allegation from each and every paragraph before and after this paragraph, as though said
22 paragraphs were set forth in full herein.

23 164. Sly Stone reposed trust and confidence in Defendant Goldstein, Defendant
24 Levine, Defendant Glenn Stone, and Defendant Topley, individually and as officers, directors
25 and/or owners of Defendant Even St. Throughout his dealings with the above-named
26 defendants, Sly Stone reasonably relied on them to treat him fairly and act in his best interest.
27 The above-named defendants were bound to act diligently and faithfully for the benefit of Sly
28 Stone, to disclose all relevant and material information and to properly account for the

1 Royalties and other assets of Sly Stone because of the fiduciary and confidential relationship
2 that they had cultivated and developed with Sly Stone.

3 165. Sly Stone relied on Defendant Even St., its principals Defendant Goldstein,
4 Defendant Levine, Defendant Glenn Stone, and Defendant Topley, and Fictitious Defendants to
5 act in his best interests when they collected the Royalties and revenues generated from the
6 licensing of his intellectual property and to correctly report, account for, and pay over Royalties
7 to Sly Stone.²⁶

8 166. Defendant Goldstein, Defendant Levine, Defendant Glenn Stone, and Defendant
9 Topley and Defendant Even St. breached the fiduciary duties they individually owed to Sly
10 Stone by knowingly, e.g., a) failing to collect and pay to Sly Stone all Royalties due and
11 payable to him; b) misrepresenting the amount of Royalties that were due and payable to Sly
12 Stone; c) diverting, converting, or misappropriating the Royalties to other entities, including
13 but not limited to Defendant Goldstein Majoken, Defendant Avenue Records and Fictitious
14 Defendants and ultimately to themselves for their own personal gain without the knowledge or
15 consent of Sly Stone; d) failing to conduct business affairs as a reasonably prudent business
16 person would conduct such affairs by, among other things, misrepresenting to Defendant
17 Mercantile National Bank the scope of authority of Defendant Even St. and Defendant
18 Goldstein Majoken and the lack of authority of Defendant Goldstein Majoken to assign
19 Royalties from defendant BMI; e) making improper deductions from and improperly
20 withholding Royalties owed to Sly Stone; and f) diverting, converting, or misappropriating,
21 and co-mingling Royalties with other assets and accounts of the Goldstein Collaborators.

22 167. Sly Stone is informed and believes, and thereon alleges Defendant Even St., and
23 its officers and directors Defendant Goldstein, Defendant Glenn Stone, and Defendant Topley
24 breached their fiduciary duties to Sly Stone if Sly Stone was or is a stakeholder in Defendant
25 Even St., which is not admitted but specifically denied, by a) failing to adhere to corporate
26 formalities, including, but not limited to, failing to give notice of and hold annual shareholder
27

28 ²⁶ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment Agreement ended long before its stated five (5) year term because of material breaches.

1 meetings; b) failing to reveal corporate records to Sly Stone, in particular records concerning
2 Royalties; c) breaching the fiduciary duty of loyalty by misappropriating corporate assets for
3 personal gain; d) breaching the fiduciary duty of care by, among other things, creating or
4 employing unnecessary entities such as Defendant Avenue Records, Defendant Goldstein
5 Music, and Defendant Goldstein Majoken for the purpose of diverting, converting or
6 misappropriating Royalties from Defendant Even St.; e) breaching the fiduciary duty of care
7 by misrepresenting to Defendant Mercantile National Bank and the Defendant Royalty
8 Collecting Companies that Defendant Even St. owned rights that it did not have; and f) making
9 misrepresentations to and filing false documents with the IRS and the FTB about monies paid
10 to, or for the benefit of Sly Stone and the ownership of Defendant Even St. Sly Stone did not
11 give any consent to the conduct of the above-named defendants.

12 168. As a result of breaches of their fiduciary duties owed to Sly Stone by the above-
13 named defendants, Sly Stone has sustained substantial compensatory damages in a sum
14 according to proof at trial. These damages are not yet fully ascertained, but in any event are not
15 less than five million dollars (\$5,000,000).

16 169. The aforementioned acts of Defendant Goldstein, Defendant Levine, Defendant
17 Glenn Stone, Defendant Topley, Defendant Even St., were willful, intentional, malicious, and
18 oppressive, and undertaken with the intent to defraud Sly Stone, justifying the award of
19 exemplary and punitive damages. These acts were despicable and done in conscious disregard
20 of the rights of Sly Stone. These acts were undertaken with the actual intent to inflict damage
21 and to harm Sly Stone. Sly Stone is entitled to an award of punitive and exemplary damages in
22 a sum according to proof because Defendants' malice and by reason of their constructive fraud
23 as alleged herein by incorporation, Sly Stone is entitled to an award of punitive and exemplary
24 damages in a sum according to proof.

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1 SEVENTH CAUSE OF ACTION

2 (Fraud)

3 (Sly Stone's Claim Against Defendants Goldstein Collaborators and

4 Does 1 through 50, inclusive)

5 170. Sly Stone hereby repeats, realleges, and incorporates by this reference in Sly
6 Stone's claim for fraud against the above-named defendants, each and every allegation from
7 each and every paragraph before and after this paragraph, as though said paragraphs were set
8 forth in full herein.

9 171. On or about February 27, 1989 Defendant Goldstein, Defendant Topley and
10 Defendant Glenn Stone, individually and on behalf of Defendant Even St., by making certain
11 representations, fraudulently induced Sly Stone to sign the Employment Agreement.
12 Defendant Goldstein, Defendant Topley, and Defendant Glenn Stone intentionally
13 misrepresented to Sly Stone that they were presenting Sly Stone with document that contained
14 the terms of the Oral Agreement. At the time Defendant Goldstein, Defendant Topley, and
15 Defendant Glenn Stone made these misrepresentations, they knew they were false and
16 concealed the truth with the intent to defraud Sly Stone and induce him to sign the Employment
17 Agreement. In reliance on the misrepresentations made by Defendant Goldstein, Defendant
18 Topley, and Defendant Glenn Stone, Sly Stone signed the document they handed him which
19 did not contain any of the terms and conditions of the Oral Agreement which is the document
20 Sly Stone believed he was signing. At the time Sly Stone signed the Employment Agreement
21 he was unaware of the misrepresentations or concealed facts and would not have signed the
22 Employment Agreement had he known the truth.

23 172. Sly Stone is informed and believes, and thereon alleged Defendant Goldstein,
24 Defendant Topley, and Defendant Glenn Stone, through Defendant Even St., used the
25 fraudulently obtained Employment Agreement to make intentional misrepresentations to the
26 defendant Royalty Collecting Companies. Defendant Goldstein, Defendant Topley, and
27 Defendant Glenn Stone actively concealed the truth by sending only the assignment portion of
28 the Employment Agreement to the Royalty Collecting Companies. Sly Stone is informed and

1 believes, and thereon alleges Defendant Goldstein, Defendant Topley, and Defendant Glenn
2 Stone knew at the time they entered into agreements on Sly Stone's behalf, the agreements with
3 the Royalty Collecting Companies were based upon a fraud on Sly Stone, or in the alternative,
4 the assignment portion of the Employment Agreement was an integrated part of an entire
5 agreement. Sly Stone is informed and believes, and thereon alleges that in reliance upon the
6 assignment portion of the Employment Agreement, Defendant Royalty Collecting Companies
7 paid Royalties to Even St. and Sly Stone was materially damaged because of their reliance.

8 173. After Sly Stone agreed to hire Defendant Goldstein and Defendant Even St.,
9 these defendants, without the knowledge or consent of Sly Stone, entered into agreements with
10 Defendant Music Companies to collect the Royalties for a fee and a percentage ownership
11 interest in the Royalties with the intent and result of diverting, converting, or misappropriating
12 the Royalties for the personal benefit of Defendant Goldstein, Defendant Levine, Defendant
13 Glenn Stone, and Fictitious Defendants.

14 174. Sly Stone is informed and believes, and thereon alleges, Defendant Goldstein,
15 on behalf of himself and on behalf of entities which he controlled, including but not limited to,
16 Defendant Music Companies, with the knowledge and consent of Defendant Topley, Defendant
17 Glenn Stone, Defendant Levine, Defendant Hackney, Defendant Columbia Street, Inc, and
18 Fictitious Defendants, represented to Sly Stone repeatedly, multiple times per year, on occasion
19 in the presence of Defendant Glenn Stone or Defendant Levine, that there were no Royalties
20 due and payable to Sly Stone; that Defendant Goldstein and Defendant Music Companies had
21 "advanced" far more money to Sly Stone than the Music Companies had received in Royalties.
22 At the time Defendant Goldstein made these statements to Sly Stone, Defendant Goldstein,
23 Defendant Topley, Defendant Glenn Stone, Defendant Levine, and Defendant Hackney,
24 individually and as president of Defendant Columbia Street, Inc. and Fictitious Defendants
25 knew they were false.

26 175. Defendant Goldstein, with knowledge and consent and with the knowledge and
27 consent of the other Defendant Goldstein Collaborators, also falsely and fraudulently and
28 repeatedly represented to Sly Stone on several occasions in the presence of Defendant Levine,

1 Defendant Topley and Defendant Glenn Stone, that Sly Stone could not hold property in Sly
2 Stone's name because of problems Defendant Goldstein alleged Sly Stone had with the IRS
3 including liens and levies on the Royalties. At the time Defendant Goldstein made these
4 statements to Sly Stone, Defendant Goldstein Defendant Topley, Defendant Levine, Defendant
5 Glenn Stone and Defendant Hackney, individually and as president of Defendant Columbia
6 Street, Inc. and Fictitious Defendants knew they were false.

7 176. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein
8 made these false statements to Sly Stone with the knowledge and consent of Defendant Topley,
9 Defendant Levine, Defendant Glenn Stone and Defendant Hackney, individually and as
10 president of Defendant Columbia Street, Inc. and Fictitious Defendants for the purpose of
11 lulling Sly Stone into complacency so he would not act upon his rights and demand payment of
12 the Royalties, would not terminate his agreement with Defendant Goldstein and Defendant
13 Even St.; and would allow Defendant Goldstein and the Defendant Music Companies to
14 continue to collect the Royalties, with the intent to defraud Sly Stone and to induce his
15 detrimental reliance. Meanwhile, the Defendant Music Companies with the knowledge and
16 consent of Defendant Topley, Defendant Levine, Defendant Glenn Stone and Defendant
17 Hackney, individually and as president of Defendant Columbia Street, Inc. and Fictitious
18 Defendants were collecting substantial Royalties and diverting, converting or misappropriating
19 the Royalties for the personal benefit of Defendant Goldstein, Defendant Levine, Defendant
20 Glenn Stone, and Fictitious Defendants', all of which facts were fraudulently concealed from
21 Sly Stone from 1989 to the present.

22 177. At all material times the above-named defendants through the false statements
23 made by Defendant Goldstein to Sly Stone with the knowledge and consent of Defendant
24 Topley, Defendant Levine, Defendant Glenn Stone and Defendant Hackney, individually and
25 as president of Defendant Columbia Street, Inc., and Fictitious Defendants intended to defraud
26 Sly Stone and intended to induce Sly Stone's reliance to cause a) Sly Stone to believe Sly
27 Stone had agreements with Defendant Goldstein, or Defendant Even St. to collect the
28 Royalties on behalf of Sly Stone; b) to make Sly Stone believe there were no Royalties in

1 excess of the "advances" made to him by Defendant Goldstein and the Defendant Even St.; c)
2 to make Sly Stone believe he could not collect the Royalties because of IRS problems
3 including liens and levies; d) to make Sly Stone dependent on Defendant Goldstein; and e) to
4 deter Sly Stone from seeking professional advice and assistance from accountants and lawyers.
5 Sly Stone was ignorant of the true facts at the time Defendant Goldstein made these false
6 representations. The above-named Defendants agreed and conspired to fraudulently conceal the
7 true facts from Sly Stone, and Sly Stone relied on Defendant Goldstein's false representations
8 and concealments to his detriment. In reliance upon these false representations and in
9 ignorance of the concealed and true facts, Sly Stone failed to take measures to ensure that the
10 Royalties were properly being paid to him, failed to terminate the employment of Defendant
11 Goldstein and Defendant Even St. under the Oral Agreement and refrained from seeking legal
12 assistance to recover the Royalties due and payable to him.

13 178. Sly Stone was harmed by these misrepresentations because he believed them to
14 be true. Sly Stone did not realize and could not have reasonably realized that he was being
15 deceived until after Defendant Goldstein refused to advance Sly Stone money because of tax
16 problems and liens, he received a copy of the Employment Agreement in 2009, and the Royalty
17 Collection Companies began speaking with people acting on his behalf after they were
18 provided with a copy of the Employment Agreement.

19 179. Sly Stone is informed and believes, thereon alleges Defendant Goldstein,
20 Defendant Topley, and Defendant Glenn Stone, Defendant Hackney, individually and as
21 president of Defendant Columbia Street, Inc., and Defendant Columbia Street, Inc., and
22 Fictitious Defendants, through Defendant Even St. and Defendant Goldstein Majoken, used the
23 fraudulently obtained Employment Agreement to make intentional misrepresentations to
24 Defendant FCB Bancorp by actively concealing the truth and providing Defendant FCB
25 Bancorp only the assignment portion of the Employment Agreement. Sly Stone is informed
26 and believes and thereon alleges Defendant Goldstein, Defendant Topley, Defendant Glenn
27 Stone, Defendant Hackney, and Defendant Columbia Street, Inc. knew at the time they entered
28 into agreements with Defendant FCB Bancorp that they had no authority to enter into

1 agreements for loans secured by Royalties, the assignment was based upon a fraud on Sly
2 Stone, or in the alternative the assignment portion of the Employment Agreement was an
3 integrated part of an entire agreement. Sly Stone is informed and believes, and thereon alleges
4 in reliance upon the partial Employment Agreement presented by Defendant Goldstein,
5 Defendant Topley, Defendant Glenn Stone, Defendant Hackney, Defendant Columbia Street,
6 Inc., Defendant Even St., and Defendant Goldstein Majoken, Defendant FCB Bancorp made
7 loans to Goldstein Majoken securitized by Royalties and Sly Stone was materially damaged.

8 180. Sly Stone is informed and believes and thereon alleges Defendant Goldstein
9 made intentional misrepresentations to the Court regarding his ownership of Sly Stone's
10 Royalties, Sly Stone's trademark, and in regards to Sly Stone's partial ownership in Defendant
11 Even St. Defendant Goldstein swore in an affidavit of July 3, 2007, signed under penalty of
12 perjury, that he "acquired all the rights to all royalties payable to" Sly Stone. Defendant
13 Goldstein also attached a redacted portion of Defendant Even St.'s 2004 tax return which lists
14 Sly Stone as a fifty percent (50%) owner of Defendant Even St. Furthermore, Defendant
15 Goldstein and Defendant Glenn Stone, through Defendant Even St., have brought litigation
16 against various parties to assert Defendant Even St.'s rights to the Sly and the Family Stone
17 trademark, including cases against Janet Jackson and the New York Times. Sly Stone is
18 informed and believes and thereon alleges Defendant Goldstein used Royalties to pursue the
19 fraudulent claims and misrepresentations. Sly Stone is informed and believes, and thereon
20 alleges when Defendant Goldstein made these representations to the court, he knew them to be
21 false and Defendant Goldstein actively concealed the truth by showing third parties only the
22 assignment portion of the Employment Agreement. Sly Stone is informed and believes, and
23 thereon alleges, in justified reliance on these misrepresentations, third parties were forced to
24 defend themselves and enter into settlement with Even St. for which Even St. received monies
25 which Defendant Goldstein, Defendant Glenn Stone, and Defendant Levine later diverted,
26 converted, or misappropriated, damaging Sly Stone.

27 181. Sly Stone is informed and believes, and thereon alleges, the above-named
28 defendants had advanced knowledge of the unfitness of Defendant Goldstein and thereby

1 authorized and ratified the wrongful conduct alleged in this Complaint by virtue of Defendant
2 Goldstein being a majority shareholder, director, officer, and managing agent of the Defendant
3 Music Companies.

4 182. Sly Stone is informed and believes and thereon alleges the above-named
5 defendants were active participants in the fraud alleged herein and are equally culpable along
6 with Defendant Goldstein and Defendant Even St. of malice, oppression, and/or fraud against
7 Sly Stone.

8 183. Sly Stone is informed and believes and thereon alleges Defendant Goldstein
9 made the misrepresentations alleged herein to Sly Stone not only in Defendant Goldstein's
10 individual capacity, but also as a managing agent, officer and/or director of the various
11 Defendant Music Companies and on behalf of and with the knowledge and consent of, all the
12 above-named Defendants.

13 184. Defendant Goldstein sought and obtained Sly Stone's reliance upon the
14 misrepresentations alleged herein, which were a substantial factor in causing Sly Stone harm.
15 As the direct, actual and foreseeable result of the false statements made to, and the fraud
16 perpetrated on Sly Stone by Defendant Goldstein with the knowledge and consent of the above
17 named defendants, Sly Stone has been damaged in an amount not yet determined at this time
18 but to be shown according to proof at trial. Such amount is currently estimated to be in the
19 millions of dollars. As a direct and proximate result of the above-named Defendants' fraud and
20 deceit, Sly Stone has sustained substantial compensatory damages in a sum according to proof
21 at trial. These damages are not yet fully ascertained, but in any event are not less than five
22 million dollars (\$5,000,000).

23 185. The conduct of the above-named defendants as alleged herein was deceitful,
24 fraudulent, and done with the intent of depriving Sly Stone of the Royalties and legal rights and
25 to cause him injury. The above-named defendants conduct, as alleged herein, was malicious
26 and despicable and subjected Sly Stone to cruel and unjust hardship in conscious disregard of
27 his rights so as to justify an award of exemplary and punitive damages against all of the above
28 named defendants in a sum according to proof at trial.

1 **EIGHTH CAUSE OF ACTION**

2 **(Constructive Fraud)**

3 **(Sly Stone's Claim Against Defendants Goldstein Collaborators,**
4 **FCB Bancorp, and Does 1 through 50)**

5 186. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
6 every allegation from each and every paragraph before and after this paragraph, as though said
7 paragraphs were set forth in full herein.

8 187. Even if the above-named defendants did not have actual fraudulent intent when
9 they made or consented to the false representations made to Sly Stone and did the acts alleged,
10 which is not admitted but specifically denied herein, the confidential, fiduciary nature of the
11 relationship between Sly Stone and the above-named defendants created an obligation in the
12 above-named defendants to make full and complete disclosures to Sly Stone of all material
13 facts within their knowledge relating to the duties and fiduciary obligations of Defendant
14 Goldstein and Defendant Even St. and the breach thereof.²⁷

15 188. The above-named defendants also had an obligation not to mislead Sly Stone for
16 the purpose of gaining an advantage at the detriment of Sly Stone.

17 189. Defendant Hackney and Defendant Columbia Street, Inc. owed a duty to Sly
18 Stone not to knowingly aid and abet or participate with Defendant Goldstein and the Defendant
19 Music Companies, Defendant Even St., Defendant Goldstein Majoken, and/or Fictitious
20 Defendants in any transactions, including but not limited to the payment of Royalties or
21 facilitating loans being made to Defendant Even St. and Fictitious Defendants secured by the
22 Royalties without the knowledge and consent of, and to the detriment of, Sly Stone. The
23 above-named Defendants breached these obligations, and thereby committed constructive fraud
24 on Sly Stone by their misfeasance, malfeasance or nonfeasance as previously alleged herein.

25 190. Sly Stone is informed and believes and thereon alleges employers Defendant
26 Music Companies had advanced knowledge of the unfitness of Defendant Goldstein and

27
28 ²⁷ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment Agreement ended long before its stated five (5) year term because of material breaches.

1 authorized and ratified the wrongful conduct alleged in this Complaint by virtue of Defendant
2 Goldstein being a director, officer, and managing agent of the Defendant Music Companies.

3 191. Sly Stone is informed and believes and thereon alleges, the Defendant Music
4 Companies were active participants in the constructive fraud alleged herein and are equally
5 culpable along with the other defendants named in this cause of action of oppression, malice,
6 and fraud against Sly Stone.

7 192. Sly Stone is informed and believes and thereon alleges, employer Defendant
8 Columbia Street, Inc. had advanced knowledge of the unfitness of Defendant Hackney and
9 authorized and ratified the wrongful conduct alleged in this Complaint by virtue of Defendant
10 Hackney being a director, officer, and managing agent of Columbia Street, Inc.

11 193. Sly Stone is informed and believes and thereon alleges, Defendant Columbia
12 Street, Inc. was an active participant in the constructive fraud alleged herein and is equally
13 culpable along with the other defendants named in this cause of action of oppression, fraud, and
14 malice against Sly Stone.

15 194. Sly Stone is informed and believes, and thereon alleges, Defendant BMI had a
16 contractual obligation and common law duty not to participate in fraudulent acts such as paying
17 Royalties to Defendant Goldstein Majoken when they knew, or should have known through the
18 exercise of due diligence, Defendant Goldstein Majoken did not have any right to receive or
19 encumber Sly Stone's Royalties from Defendant BMI.

20 195. Even if Defendant FCB Bancorp did not have actual fraudulent intent when they
21 made loans to Defendant Goldstein Majoken securitized by Sly Stone's Royalties from
22 Defendant BMI, Defendant FCB Bancorp had an obligation not to participate in fraudulent acts
23 when they knew or should have known through the exercise of due diligence, Defendant
24 Goldstein Majoken did not have any right to receive or encumber the Royalties from Defendant
25 BMI.

26 196. Sly Stone is informed and believes and thereon alleges employer Defendant
27 Mercantile National Bank had advanced knowledge of the unfitness of Defendant Hackney and
28

1 authorized and ratified the wrongful conduct alleged in this Complaint by virtue of Defendant
2 Hackney being an officer and/or managing agent of Defendant Mercantile National Bank.

3 197. Sly Stone is informed and believes and thereon alleges Defendant Mercantile
4 National Bank was an active participant in the constructive fraud alleged herein, and Defendant
5 FCB Bancorp, by virtue of having acquired the assets and liabilities of Defendant Mercantile
6 National Bank, is equally culpable along with the individuals named in this cause of action of
7 oppression, fraud, and malice.

8 198. As a direct and proximate result of the above-named Defendants' constructive
9 fraud and deceit, Sly Stone has sustained substantial compensatory damages in a sum according
10 to proof at trial. These damages are not yet fully ascertained, but in any event are not less than
11 five million dollars (\$5,000,000).

12 199. The conduct of the above-named defendants as alleged herein was deceitful,
13 fraudulent, and done with the intent of depriving Sly Stone of the Royalties and legal rights and
14 to cause him injury. The above-named defendants conduct, as alleged herein, was malicious
15 and despicable and subjected Sly Stone to cruel and unjust hardship in conscious disregard of
16 his rights so as to justify an award of exemplary and punitive damages against all of the above
17 named defendants in a sum according to proof at trial.

18
19 NINTH CAUSE OF ACTION

20 (Breach of Contract)

21 (Sly Stone's Claim Against Defendant BMI)

22 200. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
23 every allegation from each and every paragraph before and after this paragraph, as though said
24 paragraphs were set forth in full herein.

25 201. Sly Stone first signed an agreement with Defendant BMI in approximately 1964
26 to grant Defendant BMI the right to collect Royalties on behalf of Sly Stone. This agreement
27 was amended and extended numerous times through 1979. The last agreement Sly Stone signed
28

1 with Defendant BMI was dated March 19, 1979 (the "BMI Agreement"), a true and correct
2 copy of this agreement is attached hereto and marked Exhibit "1."

3 202. The BMI Agreement was amended once in 1979. In the last thirty years the BMI
4 Agreement has been automatically extended thirteen times for two year terms since 1979
5 without Defendant BMI ever communicating with Sly Stone.

6 203. Pursuant to paragraph 6 of the BMI Agreement, Defendant BMI agreed to pay
7 Sly Stone all Royalties collected by them on his behalf after the deduction of Defendant BMI's
8 handling charges and fees.

9 204. Pursuant to paragraph 7 of the BMI Agreement, Defendant BMI agreed to
10 furnish statements to Sly Stone at least twice a year accompanied by payment to Sly Stone of
11 the Royalties collected by Defendant BMI subject to all proper deductions for advances.

12 205. Sly Stone completed all, or substantially all, of the significant actions the BMI
13 Agreement required of him.

14 206. Defendant BMI failed to comply with or meet their obligations to Sly Stone
15 pursuant to the terms of the BMI Agreement. First, from at least 1987 through the first half of
16 2009 Defendant BMI, in violation of the provisions of paragraph 6 of the BMI Agreement, did
17 not pay to Sly Stone the Royalties collected by Defendant BMI on his behalf less Defendant
18 BMI's handling charges and fees. Second, Defendant BMI in violation of paragraph 7 of the
19 BMI Agreement did not furnish Royalty statements to Sly Stone at least twice each year
20 showing the monies due to Sly Stone accompanied by payment of the monies due and payable
21 to Sly Stone.

22 207. From 1987 through 2009 Sly Stone neither received the Royalties due and
23 payable to him by Defendant BMI nor the semi-annual Royalty statements.

24 208. As a result of BMI's failure to furnish Sly Stone with Royalties due and payable
25 to Sly Stone or Royalty statements, Sly Stone has sustained substantial compensatory damages
26 in a sum according to proof at trial. These damages are not yet fully ascertained, but in any
27 event are not less than five million dollars (\$5,000,000).

28

1 provide Roberts with a copy of the Employment Agreement. Roberts has not met with
2 Defendant Goldstein since 1989.

3 215. Roberts had no knowledge of, and has never seen a copy of, the Employment
4 Agreement²⁸.

5 216. Roberts has worked in the entertainment industry for decades, over which period
6 of time Roberts developed a good reputation within the industry, including a good business
7 relationship with Defendant BMI. A good reputation in the entertainment industry is important
8 to create the trust and goodwill required to develop, enter into, and maintain business
9 relationships with companies and artists in the entertainment industry. Individuals and entities
10 in the entertainment community, in particular, Defendant BMI, associate Roberts Majoken with
11 Roberts.

12 217. Roberts is informed and believes and thereon alleges the New York Secretary of
13 State dissolved Roberts Majoken on or about December 24, 1991.

14 218. Roberts is informed and believes and thereon alleges several years later, on or
15 about July 30, 1996, Defendant Even St. and / or its principals, Defendant Goldstein, Defendant
16 Glenn Stone, and Defendant Topley formed a New York corporation with the same name as
17 Roberts Majoken, but included a comma in the name to match the assignment made in 1979 to
18 Roberts Majoken by Sly Stone of Royalties due and payable to Sly Stone by Defendant BMI.

19 219. Defendant Goldstein, Defendant Glenn Stone, and Defendant Topley formed
20 Goldstein Majoken without the permission, authorization or knowledge of Roberts. Roberts is
21 informed and believes and thereon further alleges Defendant Goldstein Majoken was formed by
22 Defendant Even St., Defendant Goldstein, Defendant Glenn Stone, and Defendant Topley with
23 the intent and purpose to deceive Defendant BMI into paying Royalties due and payable to
24 Roberts Majoken, Roberts or Sly Stone to Defendant Goldstein Majoken by misrepresenting
25 Defendant Goldstein Majoken as the successor-in-interest to Roberts Majoken, which it was
26 not.

27 _____
28 ²⁸ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment Agreement ended long before its stated five (5) year term because of material breaches.

1 220. Roberts is informed and believes and thereon alleges on or about August 5, 1996
2 Defendant Glenn Stone on behalf of Defendant Even St. and/or Defendant Goldstein Majoken
3 wrote a letter to Defendant BMI instructing Defendant BMI to pay Royalties to Defendant
4 Goldstein Majoken and implying Defendant Goldstein Majoken was the successor-in-interest to
5 Roberts Majoken.

6 221. Roberts is informed and believes, and thereon further alleges at the time
7 Defendant Glenn Stone made this representation to Defendant BMI, Defendant Glenn Stone
8 knew such representation was not true. Defendant Goldstein, Defendant Glenn Stone,
9 Defendant Topley and Defendant Even St. intended Defendant BMI to rely on the
10 representation as true for the purpose of improperly diverting and converting the Royalties due
11 and payable by Defendant BMI to Sly Stone.

12 222. Roberts is informed and believes and thereon further alleges by making such
13 false representation, Defendant Goldstein, Defendant Glenn Stone, Defendant Topley and
14 Defendant Even St. were trading on the good name of Roberts, Roberts Majoken, and Roberts'
15 good professional and business relationship with Defendant BMI. Roberts, however, had no
16 knowledge of nor did he consent to this false representation being made by Defendant Even St.,
17 Defendant Goldstein, and Defendant Glenn Stone to Defendant BMI. Roberts did not and does
18 not approve of or condone this false representation and never would have approved of or
19 condoned this false representation being made if he had known about it.

20 223. Roberts is informed and believes, and thereon alleges, from on and after 1997
21 Defendant Goldstein Majoken, Defendant Goldstein, Defendant Glenn Stone, Defendant
22 Topley, Defendant Hackney, and Defendant Columbia Street, Inc., and Fictitious Defendants
23 used Defendant Goldstein Majoken or other Goldstein-controlled entities to fraudulently obtain
24 up to seventeen (17) loans from Defendant Mercantile National Bank to Defendant Goldstein
25 Majoken in an amount in excess of four million dollars secured and collateralized by the future
26 Royalties from Defendant BMI. Such loans were applied for, approved and the loan proceeds
27 paid without Roberts' knowledge or approval. Roberts never would have approved, authorized
28

1 or condoned these transactions if had knowledge of them or had been informed of them by any
2 of the above-named defendants and/or Defendant BMI.

3 224. Roberts is informed and believes, and thereon alleges, on or about October 17,
4 2008, Defendant Even St. and its officers and directors, Defendant Goldstein, Defendant Glenn
5 Stone, Defendant Topley, and Fictitious Defendants inclusively, or collaboratively, caused to
6 be filed with the New York Secretary of State a Notice of Annulment of Dissolution of Certain
7 Business Corporation for Roberts Majoken, for the purpose of reviving Roberts Majoken and
8 obtaining the EIN number for Roberts Majoken, which was obtained using Roberts' social
9 security number.

10 225. Roberts is informed and believes, and thereon alleges, Defendant Goldstein,
11 Defendant Glenn Stone, Defendant Topley, Defendant Goldstein Majoken, Defendant Even St.
12 and Fictitious Defendants intended to, and did use Roberts Majoken in furtherance of their
13 scheme to fraudulently obtain Royalties from Defendant BMI, even though Defendant
14 Goldstein, Defendant Glenn Stone, and Defendant Topley had no right to the Royalties.

15 226. Roberts is informed and believes, and thereon alleges the said defendants
16 conduct constitutes the theft or the usurping of the corporate identity of Roberts Majoken in
17 violation of California *Penal Code* § 530.6.

18 227. As a result of the conduct of Defendant Goldstein, Defendant Glenn Stone,
19 Defendant Topley, Defendant Even St., Defendant Goldstein Majoken, Defendant Hackney,
20 Defendant Columbia Street, Inc. and Fictitious Defendants, Roberts reputation in the
21 entertainment industry has been damaged because, among other things, Roberts' name is now
22 associated with the deceitful activities of these defendants. The misrepresentations of these
23 defendants to Defendant BMI and to Defendant Mercantile National Bank was, and is, a
24 substantial factor in causing harm to Roberts.

25 228. In late 2009, Roberts first learned of Defendant Goldstein Majoken's existence
26 and the misrepresentations of Defendant Goldstein, Defendant Glenn Stone, Defendant Topley,
27 Defendant Even St., Defendant Goldstein Majoken, Defendant Hackney, Defendant Columbia
28 Street, Inc. and Fictitious Defendants to Defendant BMI and Defendant Mercantile National

1 Bank. Roberts became aware of this information as a result of Sly Stone's counsel's research
2 in support of Sly Stone's causes of action. Roberts would not have discovered this information
3 on his own because a) Roberts had no contact with the above-named defendants, b) the
4 information was private, not public, and was not disclosed to Roberts, and c) until late 2009
5 Roberts was unaware Defendant Goldstein Majoken existed or any loans had been made by
6 Defendant Mercantile National Bank or Royalties paid by Defendant BMI to Defendant Even
7 St. or Defendant Goldstein Majoken.

8 229. As the direct, actual and foreseeable result of the false statements made by and
9 the fraud perpetrated on Roberts by the above-named defendants, Roberts has been damaged in
10 an amount not yet determined at this time but to be shown according to proof at trial.

11 230. The conduct of the above-named defendants as alleged herein was deceitful,
12 fraudulent, and done with the intent of causing and causing injury to Roberts. The above-named
13 defendants conduct, as alleged herein, was malicious and despicable and subjected Roberts to
14 cruel and unjust hardship in conscious disregard of his rights so as to justify an award of
15 exemplary and punitive damages against all of the above-named defendants in a sum according
16 to proof at trial.

17 18 ELEVENTH CAUSE OF ACTION

19 (Constructive Fraud)

20 (Roberts' Claim Against Defendants Goldstein, Glenn Stone, Topley, Even St., Goldstein
21 Majoken, Avenue Records, Hackney, Columbia Street, Inc., FCB Bancorp,
22 and Does 1 through 100)

23 231. Roberts hereby incorporates by this reference, each and every paragraph before
24 and after this paragraph for Roberts' cause of action for constructive fraud asserted against the
25 above-named defendants, as though said paragraphs were set forth in full herein.

26 232. Even if Defendant BMI and Defendant FCB Bancorp have no actual fraudulent
27 intent when they aided and abetted and/or collaborated with Defendant Goldstein Majoken,
28 Defendant Goldstein, Defendant Glenn Stone, Defendant Topley, Defendant Hackney, and

1 Defendant Columbia Street, Inc., and Fictitious Defendants to obtaining loans from FCB
2 Bancorp to Defendant Goldstein Majoken and/or Royalties from Defendant BMI to Defendant
3 Goldstein Majoken, Defendant BMI and Defendant FCB Bancorp had an obligation not to
4 participate in fraudulent acts such as paying Royalties to Defendant Goldstein Majoken or
5 lending money to Defendant Goldstein Majoken when they knew or with reasonable care,
6 should have known, Defendant Goldstein Majoken did not have any right to receive or
7 encumber the Royalties from Defendant BMI.

8 233. Roberts is informed and believes and thereon alleges employer Defendant
9 Mercantile National Bank had advanced knowledge of the unfitness of Defendant Hackney and
10 authorized and ratified the wrongful conduct alleged in this Complaint by virtue of Defendant
11 Hackney being an officer and/or managing agent of Defendant Mercantile National Bank.

12 234. Roberts is informed and believes and thereon alleges Defendant Mercantile
13 National Bank was an active participant in the constructive fraud alleged herein, and Defendant
14 FCB Bancorp, by virtue of having acquired the assets and liabilities of Defendant Mercantile
15 National Bank, is equally culpable along with the individuals named in this cause of action of
16 oppression, fraud, and malice.

17 235. Roberts is informed and believes and thereon alleges employers Defendant
18 Music Companies had advanced knowledge of the unfitness of Defendant Goldstein, Defendant
19 Glenn Stone, and Defendant Topley and authorized and ratified the wrongful conduct alleged in
20 this Complaint by virtue of Defendant Goldstein, Defendant Glenn Stone, and Defendant
21 Topley being directors, officers, and/or managing agents of Defendant Even St., Defendant
22 Goldstein Majoken and /or Defendant Avenue Records.

23 236. Roberts is informed and believes, and thereon alleges, Defendant Music
24 Companies were active participants in the constructive fraud alleged herein and are equally
25 culpable along with the individuals named in this cause of action of oppression, fraud, and
26 malice against Roberts.

27 237. Sly Stone is informed and believes, and thereon alleges, employer Columbia
28 Street, Inc. had advanced knowledge of the unfitness of Defendant Hackney and authorized and

1 ratified the wrongful conduct alleged in this Complaint by virtue of Defendant Hackney being a
2 director, officer, and managing agent of Columbia Street, Inc.

3 238. Roberts is informed and believes, and thereon alleges, Columbia Street, Inc. was
4 an active participant in the constructive fraud alleged herein and is equally culpable along with
5 the individuals named in this cause of action of oppression, fraud, and malice.

6 239. As a direct and proximate result of the above-named defendants' constructive
7 fraud and deceit, Roberts has been injured and is entitled to compensatory damages in a sum
8 according to proof at trial.

9 240. The aforementioned conduct of the above-named defendants was deceitful,
10 fraudulent, malicious, and oppressive and was undertaken and done with the intent to deprive
11 Roberts of his legal rights and to cause him injury. These above-named defendants conduct, as
12 alleged herein, was despicable and done in conscious disregard of the rights of Roberts. These
13 acts were undertaken with the actual intent to inflict damage and to harm Roberts and subjected
14 Roberts to cruel and unjust hardship in conscious disregard of his rights so as to justify an
15 award of exemplary and punitive damages against all of the above-named defendants in a sum
16 according to proof at trial.

17
18 TWELFTH CAUSE OF ACTION

19 (Conversion)

20 (Sly Stone's Claim Against Defendants Goldstein, Levine, Glenn Stone,
21 Topley, J. Levine, Hackney, Columbia Street, Inc., Even St., Goldstein Majoken, Avenue
22 Records, Goldstein Music, Goldstein Trust, Amadeus Trust, Amadeus B, Amadeus
23 Capital, Avitta Properties, FCB Bancorp, and Does 1 through 50, inclusive)

24 241. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
25 every allegation from each and every paragraph before and after this paragraph, as though said
26 paragraphs were set forth in full herein.

27 242. Sly Stone had and has the right to be paid Royalties by the Royalty Collecting
28 Companies.

1 243. The Defendant Goldstein Collaborators diverted, converted or misappropriated
2 the Royalties through fraud, deceit and in breach of Sly Stone's agreement with Defendant
3 Goldstein and Defendant Even St. as herein alleged.²⁹ .

4 244. Defendant Royalty Collecting Companies and Fictitious Defendants, without the
5 knowledge or consent of, or without ever communicating with, Sly Stone paid the Royalties to
6 Defendant Music Companies.

7 245. On numerous occasions between 1989 and 2009 Sly Stone asked Defendant
8 Goldstein, both personally and in Defendant Goldstein's capacity as a representative of
9 Defendant Music Companies, for payment of his Royalties and an accounting of Royalties.
10 Defendant Goldstein misrepresented to Sly Stone that the Royalties were subject to liens and
11 had been levied on by the IRS and FTB and/or that no substantial Royalties were due and
12 payable to him by the Royalty Collecting Companies. Although Defendant Goldstein promised
13 to provide Sly Stone with an accounting of and statement for the Royalties, he never did.

14 246. Unbeknown to Sly Stone, Defendant Goldstein, Defendant Levine, Defendant
15 Glenn Stone and Defendant Topley were diverting, converting or misappropriating Royalties
16 out of the Defendant Music Companies. The above-named Defendants were using this money
17 for their personal benefit, without the knowledge or consent of Sly Stone. Had Sly Stone
18 known about this diversion, conversion or misappropriation of Royalties, Sly Stone would
19 never have consented to it. Sly Stone does not now consent to the diversion, conversion or
20 misappropriating of his Royalties.

21 247. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein and
22 Defendant Levine withdrew Royalties out of the Defendant Music Companies and used such
23 money to acquire real property, as set forth in ¶121 of this Complaint. Defendant Goldstein
24 and Defendant Levine transferred the converted Properties without receiving fair market value
25 for Properties to Defendant J. Levine, daughter of Defendant Levine, Defendant Amadeus
26 Trust, Defendant Amadeus Capital, Defendant Amadeus B, Avitta Properties Limited,

27 _____
28 ²⁹ Sly Stone contends the Employment Agreement was void *ab initio* or, in the alternative, the Employment Agreement ended long before its stated five (5) year term because of material breaches.

1 Defendant Goldstein Trust, and Fictitious Defendants. Until 2009, Sly Stone did not know of
2 these transfers. Had Sly Stone known, Sly Stone never would have consented to these
3 transfers.

4 248. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein and
5 Defendant Levine consented, in part, to use some of the properties set forth in ¶121 of this
6 Complaint, along with future Royalties, to receive a series of loans from Defendant Mercantile
7 National Bank. Sly Stone first learned of these loans in 2009. Had Sly Stone known about
8 these loans at the time Defendant Goldstein or his agents applied for them, Sly Stone never
9 would have consented.

10 249. Sly Stone has been harmed by the Defendants misappropriation of Royalties.
11 The actions of the Defendant were a substantial factor in causing harm to Sly Stone. As a direct
12 and proximate result of the Defendants' conduct as herein alleged, Sly Stone has sustained
13 substantial compensatory damages in a sum according to proof at trial. These damages are not
14 yet fully ascertained, but in any event are not less than five million dollars (\$5,000,000).

15 250. The aforementioned conduct of the Defendants was deceitful, fraudulent,
16 malicious, and oppressive and was undertaken and done with the intent to inflict damage on, to
17 harm and to deprive Sly Stone of the Royalties and of his legal rights. These Defendants
18 conduct, as alleged herein, was despicable and done in conscious disregard of the rights of Sly
19 Stone. These acts subjected Sly Stone to cruel and unjust hardship in conscious disregard of
20 his rights so as to justify an award of exemplary and punitive damages against all of the
21 Defendants in a sum according to proof at trial.

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1 Royalties due and payable to Sly Stone to persons and entities other than Sly Stone, all without
2 Sly Stone's consent.

3 255. Sly Stone has demanded, and hereby demands, the return of the Royalties, but
4 the Converting Defendants, and each of them, have refused and failed, and continue to refuse
5 and fail to return or pay the Royalties to Sly Stone, except Defendant BMI, who as of January
6 13, 2010 has agreed to pay Royalties due and accruing due to, or for the benefit of, Sly Stone.

7 256. As a direct and proximate result of the conversion of the Royalties by the
8 Converting Defendants, and each of them, Sly Stone has been damaged in the sum of no less
9 than five million dollars (\$5,000,000), plus interest thereon at the legal rate, more specifically
10 according to proof.

11 257. As is more particularly alleged herein by incorporation, Sly Stone did not know,
12 and in the exercise of reasonable care, could not have known of, the conversion of the Royalties
13 until a period within three (3) years of the filing of this Complaint.

14
15 **FOURTEENTH CAUSE OF ACTION**

16 (Money Had and Received)

17 (Sly Stone's Claim Against Defendants Goldstein, Levine, Glenn Stone, Topley,
18 Even St., Goldstein Majoken, Avenue Records, Goldstein Music,
19 and Does 1 through 100)

20 258. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
21 every allegation from each and every paragraph before and after this paragraph, as though said
22 paragraphs were set forth in full herein.

23 259. Defendant Goldstein, Defendant Levine, Defendant Glenn Stone, Defendant
24 Topley, Defendant Even St., and Fictitious Defendants were placed in a position of trust by Sly
25 Stone, and they were able to and did access, receive and possess Royalties and other money
26 that was property for the use of Sly Stone.

27 260. Instead the above-named defendants either directly or through the use of other
28 entities including, but not limited to, Defendant Even St., Defendant Goldstein Majoken,

1 Defendant Avenue Records and Defendant Goldstein Music, obtained Royalties and other
2 money that was the property of Sly Stone and did not remit the Royalties and other money to
3 Sly Stone. The above-named Defendants had no authorization under which to keep or maintain
4 such Royalties or other money.

5 261. The above-named Defendants used the money due and payable to Sly Stone for
6 purposes other than that for which it was trusted to them and not for the benefit of Sly Stone.
7 Sly Stone never received the Royalties or other money due and payable to him from the said
8 defendants.

9 262. As a result of the above-named defendants' diversion and misappropriation of
10 funds due to Sly Stone, the above-named defendants are indebted to Sly Stone in an amount to
11 be proven at trial.

12 263. Said defendants, and each of them, became indebted to Sly Stone at Los
13 Angeles, California, in a sum exceeding ten thousand dollars (\$10,000), according to proof, for
14 money had and received by defendants for Sly Stone's use and benefit.

15 264. Despite Sly Stone's demand for payment of said sum, said defendants, and each
16 of them, have refused and failed and continue to refuse and fail to pay said sum, or any portion
17 therefore, and there remains due, owing and unpaid from said Defendants, and each of them,
18 the sum of at least ten thousand dollars (\$10,000), plus interest thereon at the legal rate in a sum
19 according to proof.

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1 FIFTEENTH CAUSE OF ACTION

2 (Fraudulent Transfer)

3 (Sly Stone's Claim Against Defendants Goldstein, Levine, Glenn Stone, Topley, Even St.,
4 Goldstein Majoken, Avenue Records, Goldstein Music, J. Levine, Amadeus Trust,
5 Goldstein Trust, Amadeus B, Amadeus Capital, Avitta Properties, Hackney, Columbia
6 Street, Inc., and Does 1 through 100, inclusive)

7 265. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
8 every allegation from each and every paragraph before and after this paragraph, as though said
9 paragraphs were set forth in full herein.

10 266. Defendant Goldstein, Defendant Levine, Defendant Glenn Stone, Defendant
11 Even St., and Defendant Goldstein Majoken, and Fictitious Defendants are indebted to Sly
12 Stone for diverting, converting, or misappropriating Royalties due and payable to and which
13 have not been paid to Sly Stone.

14 267. Defendant Goldstein, Defendant Levine, Defendant Glenn Stone, and/or
15 Defendant Topley have diverted, converted or misappropriated Sly Stone's Royalties, either
16 directly or indirectly, through one or more entities including, but not limited to, the Defendant
17 Music Companies, to themselves for their personal gain. At such time as they diverted,
18 converted or misappropriated Sly Stone's Royalties, the company or entity through which they
19 diverted, converted or misappropriated the money did not receive reasonably equivalent value
20 for the transfer and obligation.

21 268. Defendant Goldstein, Defendant Levine, Defendant Glenn Stone, and/or
22 Defendant Topley used several different entities through which to transfer money belonging to
23 Sly Stone. Such entities included the Defendant Music Companies. Sly Stone is informed and
24 believes, and thereon alleges the Defendant Music Companies were and are located in the same
25 office space, employ the same staff, and share the same officers, directors, and managers. Sly
26 Stone is informed and believes, and thereon further alleges the Defendant Music Companies
27 were primarily used for the purpose of artificially creating unwarranted and unnecessary
28 administration fees, or for the purpose of erecting a labyrinth of small corporations/or entities

1 to make it extremely difficult to trace the misappropriated funds. Sly Stone is informed and
2 believes, and thereon further alleges, the real effect of Defendant Music Companies was to
3 insidiously manufacture unwarranted additional fees from which Defendant Goldstein,
4 Defendant Levine, Defendant Glenn Stone and Defendant Topley would then pay, directly or
5 indirectly, to themselves.

6 269. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein,
7 Defendant Levine, Defendant Glenn Stone, Defendant Topley, Defendant J. Levine, Defendant
8 Hackney, Defendant Columbia Street, Inc., Defendant Even St., Defendant Goldstein Majoken,
9 Defendant Avenue Records, and Defendant Goldstein Music are all "insiders," as such term as
10 used in California *Civil Code* § 3439.04(b)(1).

11 270. Sly Stone is informed and believes, and thereon alleges Defendant Goldstein and
12 Defendant Levine diverted, converted, or misappropriated Royalties from the Defendant Music
13 Companies to themselves, with which they then purchased real property and placed such real
14 property into other entities including Defendant Amadeus Trust, Defendant Goldstein Trust,
15 Defendant Amadeus B, Defendant Amadeus Capital, and Defendant Avitta Properties. Sly
16 Stone is informed and believes, and thereon further alleges at the times of these transfers,
17 neither Defendant Goldstein nor Defendant Levine received a reasonably equivalent value for
18 the exchange or transfer of the obligation.

19 271. Sly Stone is informed and believes, and thereon alleges that Defendant
20 Goldstein and Defendant Levine purchased property with Royalties and then transferred such
21 property to Defendant J. Levine. Sly Stone is informed and believes, and thereon further
22 alleges that at the time Defendant Goldstein and Defendant Levine transferred property to
23 Defendant J. Levine, they did not receive reasonably equivalent value in exchange for the
24 transfer or obligation.

25 272. Sly Stone is informed and believes, and thereon alleges the transfers mentioned
26 in this section were made by Defendant Goldstein, Defendant Levine, Defendant Glenn Stone,
27 and/or Defendant Topley with the intent to hinder, delay, or defraud Sly Stone from receiving
28 his full and proper Royalties.

1 273. Sly Stone is informed and believes, and thereon alleges by removing
2 substantially all the assets from the Defendant Music Companies, Defendant Goldstein,
3 Defendant Levine, Defendant Glenn Stone, and/or Defendant Topley knew that there would not
4 be sufficient assets remaining in the Music Companies to pay Sly Stone his Royalties.

5 274. Sly Stone is informed and believes, and thereon alleges the transfers set forth in
6 this section were done without the knowledge or consent of Sly Stone. Sly Stone would not
7 have consented had he known about such transfers.

8 275. Defendant Goldstein, Defendant Levine, Defendant Glenn Stone, Defendant
9 Topley, Defendant Even St., Defendant Music Companies, and Fictitious Defendants made
10 these transfers in furtherance of their fraudulent scheme to defraud Sly Stone of his assets,
11 namely Royalties.

12 276. The fraudulent transfers set forth in this section, to the extent possible, should be
13 set aside. These transfers were effected without adequate consideration.

14 277. As a direct, actual, and foreseeable result of the fraudulent transfers set forth in
15 this section, Sly Stone has been damaged in an amount that has not yet been ascertained, but in
16 any event in an amount expected to be in excess of five million dollars (\$5,000,000).

17 278. The conduct of the above-named defendants was deceitful, fraudulent, and done
18 with the intent of depriving Sly Stone of his Royalties and his legal right to acquire such
19 Royalties. The above-named defendants' conduct was malicious, despicable, oppressive, and
20 fraudulent, and subjected Sly Stone to cruel and unjust hardship in disregard of his rights so as
21 to justify exemplary and punitive damages.

22 279. The fraudulent acts and transfers as alleged above, their continued occurrence,
23 and the threat of future fraudulent acts, make it necessary to appoint a receiver over Defendant
24 Amadeus Trust, Defendant Goldstein Trust, Defendant Amadeus B, Defendant Amadeus
25 Capital, Defendant Avitta Properties, Defendant Even St., Defendant Goldstein Majoken,
26 Defendant Avenue Records, Defendant Goldstein Music, and the properties at issue and
27 enumerated in this Complaint, to preserve the property and the rights of Sly Stone.

28

1 **SIXTEENTH CAUSE OF ACTION**

2 (Unfair Business Practices in Violation of

3 California Business and Professions Code §17200 et seq.)

4 (Sly Stones' Claim Against Defendants Goldstein, Glenn Stone, Topley,

5 Even St., and Does 1 through 100, inclusive)

6 280. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
7 every allegation from each and every paragraph before and after this paragraph, as though said
8 paragraphs were set forth in full herein.

9 281. Sly Stone is informed and believes, and thereon alleges, by violating the
10 foregoing statutes, regulations and orders, and by failing to take appropriate measures to
11 address these violations, Defendant Even St.'s acts and the acts of its affiliated companies,
12 including, but not limited to Defendant Goldstein Majoken, constitute unfair business practices
13 under California *Business and Professions Code* §17200 et seq.

14 282. Sly Stone is informed and believes, and thereon alleges Defendant Even St.'s
15 violations of California labor laws constitutes a business practice because it was done
16 repeatedly over a significant period of time in the State of California in a systematic manner to
17 the detriment of Sly Stone.

18 283. Sly Stone is informed and believes, and thereon alleges Defendant Even St.
19 engaged in its conduct in violation of California's labor laws, California *Labor Code* §§ 400
20 through 410, and has benefited from its unfair business practices to the detriment of Sly Stone
21 and thereby has injured Sly Stone and the public.

22 284. California *Labor Code* § 406 provides "[a]ny property put up by an employee as
23 part of the contract of employment, directly or indirectly, shall be deemed to put up as a bond
24 and is subject to the provisions. . . ." of the *Labor Code* relating to employee bonds. Pursuant
25 to California *Labor Code* § 402, an employer cannot accept any cash bond from an employee
26 unless (1) the employee is entrusted with property of an equivalent value or (2) employer
27 regularly advances to the employee goods, wares, or merchandise to be delivered or sold by the
28

1 employee. Defendant Even St. violated *Labor Code* § 402 because Sly Stone did not receive
2 any property of equivalent value from Defendant Even St. when Sly Stone signed the
3 Employment Agreement and authorized Defendant Even St. to collect the Royalties on his
4 behalf.

5 285. Defendant Even St. violated *Labor Code* § 402 because it did not advance to Sly
6 Stone any goods, wares, or merchandise to be delivered or sold by the Sly Stone.

7 286. California *Labor Code* § 403 provides that any money accepted by the employer
8 from the employee must be deposited in a savings account. Sly Stone is informed and believes,
9 and thereon alleges Defendant Even St. violated *Labor Code* § 403 because Defendant Even St.
10 did not deposit Sly Stone's money, namely his previously-earned Royalties, into a savings
11 account.

12 287. California *Labor Code* § 403 provides that withdrawal on the account holding
13 the employee's bond money must require the joint signatures of the employer and the
14 employee. Sly Stone is informed and believes, and thereon alleges Defendant Even St. violated
15 *Labor Code* § 403 by withdrawing Sly Stone's money without Sly Stone's signature
16 authorizing the withdrawal of the money.

17 288. California *Labor Code* § 404 provides that any money put by an employee up as
18 a bond must be returned to the employee with accrued interest. Sly Stone is informed and
19 believes, and thereon alleges Defendant Even St. violated *Labor Code* § 404 by not returning
20 Sly Stone's money with interest.

21 289. California *Labor Code* § 405 provides the money transferred to an employer
22 from an employee cannot be commingled with the property of the employer; nor can a contract
23 between an employer and employee abrogate the prohibition of commingled funds. Sly Stone
24 is informed and believes, and thereon alleges Defendant Even St. violated *Labor Code* § 405
25 because Defendant Even St. commingled Sly Stone's money, namely his previously-earned
26 Royalties, with funds of Defendant Even St.'s principals and with funds of Defendant Even
27 St.'s affiliated companies, including, but not limited to, Defendant Goldstein Music, Defendant
28 Avenue Records and Defendant Goldstein Majoken.

1 290. California *Labor Code* § 405 provides the employer may only use the
2 employee's bond money to liquidate accounts between the employer and the employee. Sly
3 Stone is informed and believes, and thereon alleges Defendant Even St. violated *Labor Code* §
4 405 by diverting, converting or misappropriating the Royalties for the personal benefit of the
5 principals of Defendant Even St., including Defendant Goldstein, Defendant Levine, Defendant
6 Glenn Stone, and Defendant Topley.

7 291. California *Labor Code* § 405 provides that any employer who commingles or
8 misappropriates the property of his employee or uses the property is guilty of theft. Sly Stone
9 is informed and believes, and thereon alleges Defendant Even St. violated *Labor Code* § 405 by
10 commingling and misappropriating Sly Stone's money.

11 292. California *Labor Code* § 408 provides in pertinent part an employer who
12 violates California *Labor Code* §§ 400 through 404 is guilty of a misdemeanor and faces a fine
13 or imprisonment. Sly Stone is informed and believes, and thereon alleges Defendant Even St.
14 and its principals violated California *Labor Code* §§ 402, 403, and 404, as set forth above.

15 293. Sly Stone is entitled to the disgorgement and restitution by Defendant Even St.
16 of all monies wrongfully not returned by Defendant Even St., including Defendant Even St.'s
17 profits by reason of their wrongful conduct, together with interest, attorneys' fees and costs, in
18 an amount according to proof at trial, but in excess of the jurisdictional amount of this Court.

19
20 SEVENTEENTH CAUSE OF ACTION

21 (Constructive Trust)

22 (Sly Stone's Claim Against Real Property Held by Defendants Goldstein, Levine,
23 Amadeus Trust, Goldstein Trust, Amadeus B, Amadeus Capital, Avitta Properties, and J.
24 Levine, and Does 1 through 100, inclusive)

25 294. Sly Stone hereby repeats, realleges, and incorporates by this reference, each and
26 every allegation from each and every paragraph before and after this paragraph, as though said
27 paragraphs were set forth in full herein.

1 295. As alleged herein, Defendant Goldstein, Defendant Levine, and the Defendant
2 Music Companies have committed acts constituting, among other things, fraud, breach of
3 contract, breach of fiduciary duty, and conversion.

4 296. Sly Stone is informed and believes and thereon alleges Defendant Goldstein and
5 Defendant Levine have converted Royalties due and payable to Sly Stone to real property,
6 which was then hidden from Sly Stone by being held and recorded in the names of other
7 entities including, but not limited to, Defendant Amadeus Trust, Defendant Goldstein Trust,
8 Defendant Amadeus B, Defendant Amadeus Capital, Defendant Avitta Properties, and
9 Defendant J. Levine or a trust for the benefit of Defendant J. Levine.

10 297. In addition to the real properties enumerated in ¶121 in this Complaint, the exact
11 amount of money/assets to which Sly Stone is entitled is capable of exact determination until
12 after an accounting and true resolution of this action.

13 298. Accordingly, Defendant Goldstein, Defendant Levine, Defendant Amadeus
14 Trust, Defendant Goldstein Trust, Defendant Amadeus B, Defendant Amadeus Capital,
15 Defendant Avitta Properties, and Defendant J. Levine are holding these properties and assets in
16 constructive trust for Sly Stone and are required to convey such properties and assets to Sly
17 Stone as adjudicated by the Court in this action.

18
19 **EIGHTEENTH CAUSE OF ACTION**

20 **(Declaratory Relief)**

21 **(Plaintiffs' Claim Against All Defendants)**

22 299. Plaintiffs hereby repeat, reallege, and incorporate by this reference, each and
23 every allegation from each and every paragraph before and after this paragraph, as though said
24 paragraphs were set forth in full herein.

25 300. An actual and present controversy has arisen between Sly Stone and Defendants
26 regarding their respective rights, duties, and obligations and interest in the Royalties. A
27 judicial resolution is necessary and appropriate at this time so that the parties may ascertain
28 their respective rights to and obligations regarding the Royalties.

1 301. Sly Stone hereby requests the Court adjudicate the parties rights to, duties and
2 obligations and interest in the Royalties.

3 302. Plaintiffs request the Court adjudicate Plaintiffs rights with respect to FCB
4 Bancorp, and further requests a declaration from the Court Plaintiffs are not liable to FCB
5 Bancorp for any amount because any fraud that occurred to FCB Bancorp was caused by FCB
6 Bancorp's own or former employee, Defendant Hackney, and the actions of Defendant
7 Goldstein and/or Defendant Glenn Stone.

8 303. Sly Stone also requests the Court adjudicate and declare Defendant Goldstein,
9 Defendant Even St., Defendant Goldstein Majoken, Defendant Avenue Records, and Defendant
10 Goldstein Music are sham entities established to defraud Royalties from Sly Stone, and further
11 hold the officers, directors and managers of these entities, namely Defendant Goldstein,
12 Defendant Glenn Stone and Defendant Topley, jointly and severally liable along with the
13 Defendant Music Companies for payment of Royalties to Sly Stone.

14 304. Sly Stone also requests the Court adjudicate and declare Defendant Goldstein,
15 Defendant Levine, Defendant Glenn Stone, Defendant Topley, Defendant Even St., and
16 Defendant Goldstein Majoken, Defendant Avenue Records, and Defendant Goldstein Music
17 have no right to exploit Sly Stone's talents, skills, services, or intellectual property, including
18 his name or trademark in any capacity, unless expressly agreed in a future writing by Sly Stone,
19 and further declare that the above-named Defendants are not entitled to receive Royalties.

20 305. Sly Stone also requests the Court adjudicate and declare the Employment
21 Agreement signed by Sly Stone is void *ab initio* because Defendant Goldstein, Defendant
22 Glenn Stone, and/or Defendant Topley took advantage of Sly Stone, forcing him to sign the
23 Employment Agreement under duress, and such agreement was in reality a subterfuge designed
24 to separate Sly Stone from the vast majority of Royalties due and payable to him.
25 Alternatively, Sly Stone requests the Court adjudicate and declare the contract was breached
26 and void. In the further alternative, Sly Stone requests the Court adjudicate and declare, in the
27 event the Court determines there was a binding written agreement between Sly Stone and
28

1 Defendant Even St. that such contract expired at or before the five (5) year term set forth in
2 contract, specifically by February 1994.

3 306. Roberts requests the Court to adjudicate and declare Roberts is the owner of
4 Roberts Majoken, and that Defendant Even St., Defendant Goldstein, Defendant Glenn Stone,
5 and/or Defendant Topley have no, and have never had, any rights, ownership or interest in
6 Roberts Majoken.

7
8 **WHEREFORE**, Plaintiff Sly Stone prays for judgment as follows:

- 9 1. For compensatory and consequential damages in an amount to be proven at trial;
10 2. For prejudgment interest according to proof;
11 3. For post-judgment interest;
12 4. For declaration of Sly Stone's rights and Defendants' obligations with respect to
13 Royalties for Sly Stone;
14 5. For the appointment of a receiver;
15 6. For an accounting;
16 7. For a constructive trust on real property;
17 8. For punitive damages;
18 9. To the extent permitted by contract, common law, or statute, if at all, for
19 reasonable attorney's fees and costs; and
20 10. For such other further relief as the Court may deem just and proper.

21
22 **WHEREFORE**, Plaintiff Ken Roberts prays for judgment as follows:

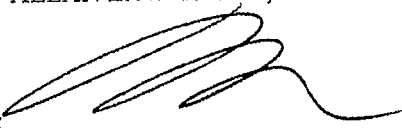
- 23 1. For compensatory and consequential damages in an amount to be proven at trial;
24 2. For post-judgment interest;
25 3. For declaration of Roberts' ownership interest in Roberts Majoken;
26 4. For punitive damages;
27 5. To the extent permitted by common law or statute, if at all, for reasonable
28 attorney's fees and costs; and

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6. For such other further relief as the Court may deem just and proper.

Dated: February 2, 2010

ALLAN LAW GROUP, P.C.

By: 

Robert J. Allan, Esq.
Attorney for Plaintiffs
Sylvester Stewart aka Sly Stone and
Ken Roberts aka Kenneth Roberts

EXHIBIT 1



BROADCAST MUSIC, INC.

10 West 57th Street

New York, N.Y. 10019

Date March 19, 1979

Mr. Sylvester Stewart
2091 Mandeville Canyon Road
Los Angeles, CA 90049

Dear Mr. Stewart:

The following shall constitute the agreement between us:

1. As used in this agreement:

(a) The word "period" shall mean the term from July 1, 1978 to March 31, 1982, and continuing thereafter for additional terms of two years each unless terminated by either party at the end of said initial term or any additional term, upon notice by registered or certified mail not more than six months or less than sixty (60) days prior to the end of any such term.

(b) The word "works" shall mean:

(i) All musical compositions (including the musical segments and individual compositions written for a dramatic or dramatico-musical work) composed by you alone or with one or more collaborators during the period; and

(ii) All musical compositions (including the musical segments and individual compositions written for a dramatic or dramatico-musical work) composed by you alone or with one or more collaborators prior to the period, except those in which there is an outstanding grant of the right of public performance to a person other than a publisher affiliated with BMI.

2. You agree that:

(a) Within ten (10) days after the execution of this agreement you will furnish to us two copies of a completed clearance sheet in the form supplied by us with respect to each work heretofore composed by you which has been published in printed copies or recorded commercially or which is being currently performed or which you consider as likely to be performed.

(b) In each instance that a work for which clearance sheets have not been submitted to us pursuant to sub-paragraph (a) hereof is published in printed copies or recorded commercially or in synchronization with film or tape or is considered by you as likely to be performed, whether such work is composed prior to the execution of this agreement or hereafter during the period, you will promptly furnish to us two copies of a completed clearance sheet in the form supplied by us with respect to each such work.

(c) If requested by us in writing, you will promptly furnish to us a legible lead sheet or other written or printed copy of a work.

3. The submission of clearance sheets pursuant to paragraph 2 hereof shall constitute a warranty by you that all of the information contained therein is true and correct and that no performing rights in such work have been granted to or reserved by others except as specifically set forth therein in connection with works heretofore written or co-written by you.

4. You hereby grant to us for the period:

(a) All the rights that you own or acquire publicly to perform, and to license others to perform, for profit or otherwise, anywhere in the world, any part or all of the works.

(b) The non-exclusive right to record, and to license others to record, any part or all of any of the works on electrical transcriptions, wire, tape, film or otherwise, but only for the purpose of performing such work publicly by means of radio and television or for archive or audition purposes and not for sale to the public or for synchronization with motion pictures intended primarily for theatrical exhibition or with programs distributed by means of syndication to broadcasting stations.

(c) The non-exclusive right to adapt or arrange any part or all of any of the works for performance purposes, and to license others to do so.

6. (a) The rights granted to us by sub-paragraph (a) of paragraph 4 hereof shall not include the right to perform or license the performance of more than one song or aria from a dramatic or dramatico-musical work which is an opera, operetta, or musical show or more than five minutes from a dramatic or dramatico-musical work which is a ballet if such performance is accompanied by the dramatic action, costumes or scenery of that dramatic or dramatico-musical work.

(b) You, together with the publisher and your collaborators, if any, shall have the right jointly, by written notice to us, to exclude from the grant made by sub-paragraph (a) of paragraph 4 hereof performances of works comprising more than thirty minutes of a dramatic or dramatico-musical work, but this right shall not apply to such performances from (i) a score originally written for and performed as part of a theatrical or television film, (ii) a score originally written for and performed as part of a radio or television program, or (iii) the original cast, sound track or similar album of a dramatic or dramatico-musical work.

6. (a) As full consideration for all rights granted to us hereunder and as security therefor, we agree to pay to you, with respect to each of the works in which we obtain and retain performing rights during the period:

(i) For performances of a work on broadcasting stations in the United States, its territories and possessions, amounts calculated pursuant to our then current standard practices upon the basis of the then current performance rates generally paid by us to our affiliated writers for similar performances of similar compositions. The number of performances for which you shall be entitled to payment shall be estimated by us in accordance with our then current system of computing the number of such performances.

(i) It is acknowledged that we license the works of our affiliates for performances by non-broadcasting means, but that unless and until such time as practical methods can be devised for tabulation of and payment for such performances, payment will be based solely on broadcast performances. In the event that during the period we shall establish a system of separate payment for non-broadcasting performances, we shall pay you upon the basis of the then current performance rates generally paid by us to our other affiliated writers for similar performances of similar compositions.

(ii) In the case of a work composed by you with one or more collaborators, the sum payable to you hereunder shall be a pro rata share, determined on the basis of the number of collaborators, unless you shall have transmitted to us a copy of an agreement between you and your collaborators providing for a different division of payment.

(iii) All monies received by us from any performing rights licensing organization outside of the United States, its territories and possessions, which are designated by such performing rights licensing organization as the author's share of foreign performance royalties earned by your works after the deduction of our then current handling charge applicable to our affiliated writers.

(i) We shall have no obligation to make payment hereunder with respect to (i) any performance of a work which occurs prior to the date on which we have received from you all of the information and material with respect to such work which is referred to in paragraphs 2 and 3 hereof, or (ii) any performance of a work for which you receive payment of performance royalties from the publisher thereof. You waive the right to receive performance royalties from the publisher of any work with respect to any and all performances thereof for which you receive payment from us hereunder.

7. We will furnish statements to you at least twice during each year of the period showing the number of performances as computed pursuant to sub-paragraph (a) (i) of paragraph 6 hereof and at least once during each year of the period showing the monies due pursuant to sub-paragraph (a) (iii) of paragraph 6 hereof. Each statement shall be accompanied by payment to you, subject to all proper deductions for advances, if any, of the sum thereby shown to be due for such performances.

8. (a) Nothing in this agreement requires us to continue to license the works subsequent to the termination of this agreement. In the event that we continue to license any or all of the works, however, we shall continue to make payments to you for so long as you do not make or purport to make directly or indirectly any grant of performing rights in such works to any other licensing organization. The amounts of such payments shall be calculated pursuant to our then current standard practices upon the basis of the then current performance rates generally paid by us to our affiliated writers for similar performances of similar compositions. You agree to notify us by registered or certified mail of any grant or purported grant by you directly or indirectly of performing rights to any other performing rights organization within ten (10) days from the making of any such grant or purported grant, and if you fail so to inform us thereof and we make payments to you for any period after the making of any such grant or purported grant, you agree to repay to us all amounts so paid by us promptly on demand. In addition, if we inquire of you by registered or certified mail, addressed to your last known address, whether you have made any such grant or purported grant and you fail to confirm to us by registered or certified mail within thirty (30) days of the mailing of such inquiry that you have not made any such grant or purported grant, we may, from and after such date, discontinue making any payments to you.

(b) Our obligation to continue payment to you after the termination of this agreement for performances outside of the United States, its territories and possessions shall be dependent upon our receipt in the United States of payments designated by foreign performing rights organizations as the author's share of foreign performance royalties earned by your works. Payment of such foreign royalties shall be subject to deduction of our then current handling charge applicable to our affiliated writers.

(c) In the event that we have reason to believe that you will receive or are receiving payment from a performing rights licensing organization other than BMI for or based on United States performances of one or more of your works during a period when such works were licensed by us pursuant to this agreement, we shall have the right to withhold payment for such performances from you until receipt of evidence satisfactory to us of the amount so paid to you by such other organization or that you have not been so paid. In the event that you have been so paid, the monies payable by us to you for such performances during such period shall be reduced by the amount of the payment from such other organization. In the event that you do not supply such evidence within eighteen (18) months from the date of our request therefor, we shall be under no obligation to make any payment to you for performances of such works during such period.

9. In the event that you terminate this agreement pursuant to sub-paragraph (a) of paragraph 1 hereof or any modification thereof at a time when, after crediting all earnings reflected by the statements rendered to you prior to the effective date of such termination, there remains an unearned balance of advances made to you by us, such termination shall not be effective with respect to the works then embraced by this agreement unless and until sixty (60) days after the unpaid balance of advances shall be repaid by you or until sixty (60) days after a statement is rendered by us at our normal accounting period showing that such unearned balance of advances has been fully recouped by us.

10. You warrant and represent that you have the right to enter into this agreement; that you are not bound by any prior commitments which conflict with your commitments hereunder; that each of the works, composed by you alone or with one or more collaborators, is original; and that exercise of the rights granted by you herein will not constitute an infringement of copyright or violation of any other right of, or unfair competition with, any person, firm or corporation. You agree to indemnify and hold harmless us and our licensees from and against any and all loss or damage resulting from any claim of whatever nature arising from or in connection with the exercise of any of the rights granted by you in this agreement. Upon notification to us or any of our licensees of a claim with respect to any of the works, we shall have the right to exclude such work from this agreement and/or to withhold payment of all sums which become due pursuant to this agreement or any modification thereof until such claim has been withdrawn, settled or adjudicated.

11. (a) We shall have the right, upon written notice to you, to exclude from this agreement, at any time, any work which in our opinion (i) is similar to a previously existing composition and might constitute a copyright infringement, or (ii) has a title or music or lyric similar to that of a previously existing composition and might lead to a claim of unfair competition, or (iii) is offensive, in bad taste or against public morals, or (iv) is not reasonably suitable for performance.

(b) In the case of works which in our opinion are based on compositions in the public domain, we shall have the right, upon written notice to you, either (i) to exclude any such work from this agreement, or (ii) to classify any such work as entitled to receive only a fraction of the full credit that would otherwise be given for performances thereof.

(c) In the event that any work is excluded from this agreement pursuant to paragraph 11 or sub-paragraph (a) or (b) of this paragraph 11, all rights in such work shall automatically revert to you ten (10) days after the date of our notice to you of such exclusion. In the event that a work is classified for less than full credit under sub-paragraph (b) (iii) of this paragraph 11, you shall have the right, by giving notice to us, within ten (10) days after the date of our letter advising you of the credit allocated to the work, to terminate our rights therein, and all rights in such work shall thereupon revert to you.

12. In each instance that you write, or are employed or commissioned by a motion picture producer to write, during the period, all or part of the score of a motion picture intended primarily for exhibition in theaters, or by the producer of a musical show or revue for the legitimate stage, to write, during the period, all or part of the musical compositions contained therein, we agree to advise the producer of the film that such part of the score as is written by you may be performed as part of the exhibition of said film in theaters in the United States, its territories and possessions, without compensation to us, or to the producer of the musical show or revue that your compositions embodied therein may be performed on the stage with living artists as part of such musical show or revue, without compensation to us. In the event that we notify you that we have established a system for the collection of royalties for performance of the scores of motion picture films in theaters in the United States, its territories and possessions, we shall no longer be obligated to take such action with respect to motion picture scores.

13. You make, constitute and appoint us, or our nominee, your true and lawful attorney, irrevocably during the term hereof, in our name or that of our nominee, or in your name, or otherwise, to do all acts, take all proceedings, execute, acknowledge and deliver any and all instruments, papers, documents, process or pleadings that may be necessary, proper or expedient to restrain infringement of and or to enforce and protect the rights granted by you hereunder, and to recover damages in respect to or for the infringement or other violation of the said rights, and in our sole judgment to help you and/or others in whose names the copyrights in any of the works may stand, to discontinue, compromise or refer to arbitration, any such actions or proceedings or to make any other disposition of the disputes in relation to the works, provided that any action or proceeding commenced by us pursuant to the provisions of this paragraph shall be at our sole expense and for our sole benefit.

14. You agree that you, your agents, employees or representatives will not, directly or indirectly, solicit or accept payment from writers for composing music for lyrics or writing lyrics to music or for reviewing, publishing, promoting, recording or rendering other services connected with the exploitation of any composition, or permit use of your name or your affiliation with us in connection with any of the foregoing. In the event of a violation of any of the provisions of this paragraph 14, we shall have the right, in our sole discretion, by giving you at least thirty (30) days' notice by registered or certified mail, to terminate this agreement. In the event of such termination no payments shall be due to you pursuant to paragraph 8 hereof.

15. No monies due or to become due to you shall be assignable, whether by way of assignment, sale or power granted to an attorney-in-fact, without our prior written consent. If any assignment of such monies is made by you without such prior written consent, no rights of any kind against us will be acquired by the assignee, purchaser or attorney-in-fact.

16. In the event that during the period (a) mail addressed to you at the last address furnished by you pursuant to paragraph 19 hereof shall be returned by the post office; or (b) monies shall not have been earned by you pursuant to paragraph 6 hereof for a period of two consecutive years or more; or (c) you shall die, BMI shall have the right to terminate this agreement on at least thirty (30) days' notice by registered or certified mail addressed to the last address furnished by you pursuant to paragraph 19 hereof and, in the case of your death, to the representative of your estate, if known to BMI. In the event of such termination no payments shall be due to you pursuant to paragraph 8 hereof.

17. You acknowledge that the rights obtained by you pursuant to this agreement constitute rights to payment of money and that during the period we shall hold absolute title to the performing rights granted to us hereunder. In the event that during the period you shall file a petition in bankruptcy, such a petition shall be filed against you, you shall make an assignment for the benefit of creditors, you shall consent to the appointment of a receiver or trustee for all or part of your property, or you shall institute or shall have instituted against you any other insolvency proceeding under the United States bankruptcy laws or any other applicable law, we shall retain title to the performing rights in all works for which clearance sheets shall have theretofore been submitted to us and shall subrogate your trustee in bankruptcy or receiver and any subsequent purchasers from them to your right to payment of money for said works in accordance with the terms and conditions of this agreement.

18. All disputes of any kind, nature or description whatsoever arising in connection with the terms and conditions of this agreement, or arising out of the performance thereof, or based upon an alleged breach thereof, shall be submitted to arbitration in the City, County and State of New York under the then prevailing rules of the American Arbitration Association by an arbitrator or arbitrators to be selected as follows: Each of us shall by written notice to the other have the right to appoint one arbitrator, provided, however, that if within ten (10) days following the giving of such notice by one of us the other shall not by written notice appoint another arbitrator the first arbitrator appointed shall be the sole arbitrator. If two arbitrators are so appointed, they shall thereupon appoint the third arbitrator, provided that if ten (10) days shall elapse after the appointment of the second arbitrator and the said two arbitrators are unable to agree upon the appointment of the third arbitrator then either of us may, in writing, request the American Arbitration Association to appoint the third arbitrator. The award made in the arbitration shall be binding and conclusive on us and judgment may be, but need not be, entered thereon in any court having jurisdiction. Such award shall include the fixing of the cost of arbitration, which shall be borne by the unsuccessful party.

19. You agree to notify our Department of Performing Rights Administration promptly in writing of any change in your address. Any notice sent to you pursuant to the terms of this agreement shall be valid if addressed to you at the last address so furnished by you.

20. This agreement cannot be changed orally and shall be governed and construed pursuant to the laws of the State of New York.

21. This agreement, as of its effective date, cancels and supersedes the agreement between us dated.....
March 24, 1969.....and all modifications thereof (herein called the "Superseded Agreement").
All works embraced by the Superseded Agreement shall be deemed embraced by this agreement.

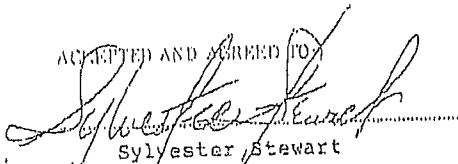
It is agreed that any part of the advances heretofore made to you pursuant to the Superseded Agreement which shall not have been recouped by performances of your works up to the effective date of this agreement shall be deemed to be an advance against all monies which may become payable to you pursuant to this agreement and any extensions, renewals or modifications thereof, or substitutions thereof.

Very truly yours,

BROADCAST MUSIC INC.

By

ACCEPTED AND AGREED TO


Sylvester Stewart

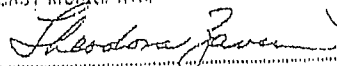


EXHIBIT 2

EMPLOYMENT AGREEMENT, dated the ~~27th~~ day of February, 1988
between STONE FIRE PRODUCTIONS, LTD., a New York corporation having
its principal place of business at c/o Elliott H. Pollack, 1155
Avenue of the Americas, New York, New York 10019 (hereinafter
referred to as the "Company") and SYLVESTER STEWART p/k/a Sly Stone,
residing at ^{46 Rte 130} 6 Constable Street, New Brunswick, N.J. (hereinafter referred to as
the "Employee").

WHEREAS, the Employee is desirous to be employed exclusively by
the Company, and

WHEREAS, the Company wishes to employ exclusively the unique
talents of the Employee, and

WHEREAS, the parties desire to set forth their understanding as
to the terms of the Employee's exclusive employment by the Company,
in writing,

NOW, THEREFORE, the Company and the Employee agree as follows:

1. (a) The Company employs the exclusive services of the
Employee as an artist in the music industry and all
related entertainment fields, including but not
limited to musician, composer, arranger, publisher
and performing artist and such new and different
areas within which the Employee's artistic talents
can be developed and exploited, for a period of five
(5) years or for the

duration of a recording contract with a third party for the Employee's services, indorsed by him, whichever is longer. Further, in the event that this paragraph is found to be unenforceable by force of law or statute then the term herein shall be the maximum time allowed minus one day.

(b) Employee shall have the option to terminate this agreement at the end of each year of the five (5) year period of this agreement upon the following conditions:

I. The company fails to pay the Employee gross compensation pursuant to this agreement, as follows:

First Year	-	\$75,000.00
Second Year	-	\$100,000.00
Third Year	-	\$150,000.00
Fourth Year	-	\$250,000.00

II. Employee shall notify Company of his election, of his option to terminate, by written notice mailed to the Company no later than forty-five (45) days prior to the end of each contractual year.

2. The company agrees that it shall upon execution of this agreement do the following:
 - I. Pay to the Employee Ten Thousand (\$10,000.00) Dollars within ten (10) days of execution this agreement.
 - II. To take all steps necessary to complete Employee's dental work currently in progress including payment of the bill incurred.
 - III. To provide the Employee with the proper and necessary wearing apparel for the purpose of introducing the Employee to record companies in furtherance of the Company's attempts to obtain a recording contract for the Employee's services.
3. The Company shall pay to the Employee as compensation for his exclusive services fifty (50%) percent of the Companies net profits. Net profits shall be defined as profits after the deduction of all reasonable and necessary expenses of the Company including a fee of ten (10%) percent for administrating the affairs of it's artists and excluding all amounts paid pursuant to this

agreement. The Employee's portion of the anticipated net profits shall be made available to the Employee within ten (10) days of receipt of gross income. Anticipated net profit shall be defined as profit after the withholding of the ten (10%) percent administration fee referred to above and all other reasonably anticipated and necessary expenses, including but not limited to session fees, equipment costs or fees, salaries of other employees, office expenses etc.

4. The net profits of the company shall be calculated semi-annually on the 15th day of August and 15th day of February of each year this agreement shall be in full force and effect and the compensation to the employee, as provided for in paragraph 2 above, shall be payable to the employee within thirty (30) days from the dates of calculation as provided herein.
5. Company agrees to maintain accurate books and records of all transactions, which books and records may be inspected by a certified public accountant designated by the Employee, or by the employee himself, at Employee's expense, upon reasonable notice to the Company, at the Company's office in New York City and during regular business hours.

6. The Company hereby acknowledges the necessity to advance monies to the Employee for living expenses. The Company will use it's best efforts to satisfy those needs, however, such advances shall be within the sole discretion of the Company. These advances shall be fully recouped by the company against the Employee's compensation as provided for herein as well as from compensation to Employee from agreements between him and any of Company's affiliates or subsidiaries. The Employee acknowledges that the Company has already advanced him money for the above purpose in the amount of \$ 9,100.00 (see Exhibit A attached hereto).

7. (a) The Employee agrees at all times to devote himself to his career and employment and to do all things necessary and desirable to promote his career and services and earnings therefrom. This shall include but not be limited to recording sessions, live performances, rehearsals, photographic sessions, video sessions and other promotion activities as the Company may direct. The Employee acknowledges that the Company shall attempt to develop and exploit his skills and talents in the entertainment, music, recording, motion picture, television, radio, literary, theatrical, advertising and amusement fields and all similar fields whether now known or hereafter devised.

- (b) The Company acknowledges that the Employee is an artist of unique skills, talent and experience in the entertainment field, and, as such, the Company desires to give the Employee creative control over all projects with which the Employee is involved. This control shall include, but not be limited to, selection of the individuals participating in the activities outlined in paragraph 6. (a) above, repertoire and all other creative aspects applicable to a particular project. Additionally, the company agrees to consult and seek the approval of the Employee with regard to all engagements referred to in paragraph 6. (a) above.
8. The Company undertakes to use its best efforts to exploit and develop the Employee's skill and talent as a musician, composer, arranger, publisher, actor, writer and performing artist in the entertainment, music, recording, motion picture, television, radio, literary, theatrical, advertising and amusement fields and all similar fields whether now known or hereafter devised. The Company shall provide the Employee's services to other companies and to manage and supervise such services so as to assure the proper use and continued demand for the Employee's services.

9. The Employee acknowledges that the Company shall have the exclusive right to exploit Employee's personality in all media, and in connection therewith to approve and permit, for the purpose of trade, advertising, merchandising and publicity, the use, licensing, dissemination, reproduction or publication of Employee's name, photographic likeness and image, voice, artistic and musical materials.

10. (a) The Employee hereby acknowledges that this agreement is for the Employee's exclusive services and that he will provide said services solely and exclusively for the Company. The Employee shall not render similar services or perform said services on his own behalf or on behalf of third parties and Employee will not negotiate, accept or execute any agreement, understanding or undertaking concerning his services or career without the Company's express prior written consent. Similarly, Employee agrees to refer to the Company all verbal or written leads, communications or requests for Employee's appearances and services.

(b) In light of the Employee's unique skill and experience, the Company agrees that it will not unreasonably withhold its approval of any engagement, appearance or opportunity made available to the Employee which the Employee desires to pursue within the terms of paragraph 9. (a) above.

- (c) In instances where the Employee shall be employed as a producer of a recording other than a recording pursuant to a recording contract for the Employee's services as a principal artist then the terms of such employment shall be in accord with this agreement except that the fee for said services shall be divided seventy-five (75%) percent to the Employee and twenty-five (25%) percent to the Company.
11. The Employee hereby acknowledges and understands that the Company has financed and undertaken great expense to induce the Employee's entering into this agreement.
12. Simultaneous with the execution of this agreement the Employee has executed an assignment of claims, a copy which attached hereto as Exhibit B, and said assignment its terms and conditions are hereby specifically incorporated into this agreement.
13. (a) The Employee hereby irrevocably appoints the Company, by Steve Topley and/or Jerry Goldstein, for the term of this agreement and any extensions hereof as the Employee's true and lawful attorney-in-fact to sign, make execute and deliver any and all contracts in the Employee's name; to make, execute, endorse, accept, collect and deliver any and all bills of exchange, checks and notice as the Employee's said attorney; to

demand, sue for, collect, recover, and receive all goods, claims, money interest or other items that may be due to EMPLOYEE or belong to EMPLOYEE; and to make, execute and deliver receipts, releases or other discharges therefor under sale or otherwise and to defend, settle, adjust, compound, submit to arbitration and compromise, all actions, suits, accounts reckonings, claims and demands whatsoever that are or shall be pending in such manner and in all respects as the Company in it's sole discretion shall deem advisable; and without in any way limiting the foregoing, generally to do, execute and perform any other act, deed or thing whatsoever that reasonably ought to be done, executed and performed of any and every nature and kind as fully and effectively as the Employee could do if personally present; and the Employee hereby ratifies and affirms all acts performed by the Company by virtue of this power of attorney.

- (b) The Employee expressly agrees that he will not on the Employee's own behalf assert any of the powers herein granted to the Company by the foregoing power of attorney without the express, prior, written consent of the Company and that all sums and consideration paid to the Employee by reason of the Employee's artistic endeavors shall be paid to the Company on

his behalf. However, the Company agrees that it will not unreasonably withhold the use of its power as to matters herein described which the Employee wishes the Company to pursue.

- (c) It is expressly understood that the foregoing power of attorney is limited to matters reasonably related to the Employee's career as musician, composer, arranger, publisher and performing artist and such new and different areas within which the Employee's artistic talents can be developed and exploited.

14. The parties agree that this agreement does not create a partnership between the parties, nor does it create an equity interest of any kind in the Company in favor of the Employee. The Employee merely has a participation interest in the net profits of the company.
15. The name of the company shall be changed to EVEN ST. PRODUCTIONS, LTD. If the name EVEN ST. PRODUCTIONS is unavailable or unacceptable by the Secretary of State of the State of New York, then the Company name shall be changed to another name mutually acceptable to the parties herein.
16. The rights, benefits and obligations of the Employee are not assignable.

17. The Employee warrants that there are no agreements and that he is under no disability, restriction or prohibition with respect to the Employee's right to execute this agreement and perform it's term and conditions. The Employee warrants and represents that no act or omission, prior to or subsequent to the execution of this agreement, will violate any right or interest of any person or firm or will subject the Company to any liability, or claim of liability to any person. The Employee agrees to indemnify the Company and to hold the Company harmless against any damages, cost, expenses, fee (including attorney's fees) incurred by the Company in any claim, suit or proceeding instituted by or against the Company in which any assertion is made which is inconsistent with any warranty, representation or covenant of the Employee or as a result of the Employee's breach or other failure to perform the terms of this agreement.

18. The Employee clearly understands that the Company is not an employment agency or employment agent or theatrical agent or licensed booking agent and that the Company, other than this agreement, has not offered or attempted or promised to obtain employment or engagements for me, that the Company is not obligated or expected to do so.

19. It is agreed that as a condition precedent to any assertion by the Employee that the Company is in default in performing any obligations contained herein, the Employee must advise the Company in writing of the specific facts upon which it is claimed that the Company is in default and of the specific obligation which it is claimed has been breached, and the Company shall be allowed a period of thirty (30) days after receipt of such written notice, within which to cure such default.
20. The Employee affirmatively acknowledges that he has been given the opportunity and encouraged to consult an attorney before the execution of this agreement.
21. There shall be no change, amendment, or modification of this agreement unless it is reduced to writing and signed by all parties hereto. No waiver of any breach of this agreement shall be construed as a continuing waiver or consent to any subsequent breach hereof.
22. The Employee acknowledges and agrees that the Company's right to employ the services, skills and talent of the employee are sole and exclusively the Company's and the Employee's obligation to render such services, skills and talent sole and exclusively for the Company are unique, irreplaceable and extraordinary rights and obligations and that any breach or threatened breach by the Employee thereof shall be material and shall cause the Company


immediately unavoidable and irreparable harm and damage which cannot be adequately compensated for by money judgment. Accordingly, the Employee agrees that in addition to all other forms of relief and all other remedies which may be available to the Company in the event of any such breach or threatened breach by the Employee, the Company shall be entitled to seek and obtain injunctive relief against the Employee and the Employee agrees that in seeking such injunctive relief, the Company shall not be obligated to secure any bond or other security in connection with the Company's application for such relief.

23. The parties herein warrant that all the terms and provisions of this agreement are provident and reasonable when made.
24. This agreement shall be construed in accordance with the laws of the State of New York governing contracts wholly executed and performed therein and shall be binding upon and inure to the benefit of the parties' respective heirs, executors, administrators and successors. Further, the parties agree exclusive jurisdiction shall lie with the Courts of the State of New York.

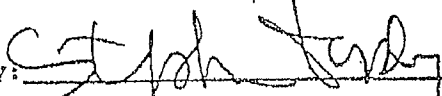
25. This agreement shall apply to those forms of entertainment as presently known and may be known in the future.

26. In the event any provision hereof shall be for any reason illegal or unenforceable, the same shall not affect the validity or enforceability of the remaining provisions hereof.

IN WITNESS WHEREOF, parties have caused this agreement to be executed as of the date first indicated above.


SYLVESTER STEWART p/k/a Sly Stone

STONE FIRE PRODUCTIONS LTD.

By: 
STEPHEN TOPLEY

I, Sylvester Stewart p/k/a Sly Stone, hereby acknowledge that the following monies have been advanced to me by JERRY GOLDSTEIN MUSIC, INC. I affirm that these funds have been advanced to me in anticipation of my entering into an exclusive services agreement with a music production company in which Jerry Goldstein, JERRY GOLDSTEIN MUSIC, INC., or another entity designated by Jerry Goldstein shall be a principle thereof. These advances will be recouped by said production company against compensation due me under the exclusive services agreement referred to above.

<u>Date</u>	<u>Amount</u>
Dec. 11, 1988	\$200.00
Dec. 16, 1988	\$300.00
Dec. 20, 1988	\$700.00
Dec. 22, 1988	\$200.00
Dec. 23, 1988	\$500.00
Dec. 28, 1988	\$500.00
Dec. 30, 1988	\$200.00
Jan. 2, 1989	\$100.00
Jan. 5, 1989	\$600.00
Jan. 8, 1989	\$100.00
Jan. 10, 1989	\$100.00
Jan. 14, 1989	\$100.00
Jan. 15, 1989	\$100.00
Jan. 18, 1989	\$400.00
Jan. 21, 1989	\$300.00
Jan. 25, 1989	\$100.00
Jan. 28, 1989	\$300.00
Feb. 1, 1989	\$400.00
Feb. 4, 1989	\$300.00
Feb. 7, 1989	\$400.00

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ASSIGNMENT

For One (\$1.00) Dollar, and other good and valuable consideration, receipt of which is hereby acknowledged SYLVESTER STEWART p/k/a Sly Stone ("Assignor") hereby assigns, transfers, sets over and conveys to STONE FIRE PRODUCTIONS LTD. ("Assignee"), all rights, title and interest in and to any and all claims, rights, causes of action and benefits now known or unknown resulting from the prior exploitation of the Assignor's skills talents and services, in the entertainment industry including but not limited to, as a musician, composer, arranger, publisher, recording artist, actor, writer and performing artist. Said assignment shall include but not be limited to the following:


1. Any royalty or other income now due past due or to become due from CBS RECORDS.
2. Any royalty or other income now due, past due, or to become due from WARNER/CHAPPELL MUSIC, INC. including but not limited to publishing royalties and income, and writer's royalties and income.
3. Any royalty or other income now due, past due, or to become due from BMI, INC. including but not limited to publisher's performance royalties or income, and writer's performance royalties and income.

The within named assignment, transfer and conveyance includes without limitation any and all rights that Assignor now has or to which Assignor may become entitled under existing or subsequently enacted federal, state or foreign laws. The within grant further includes all proceeds from the foregoing accrued and unpaid and hereafter accruing and all such claims, rights, causes of action benefits arising therefrom without limitation with full right to

S.T. S.S.

maintain any actions thereon, and to settle, compromise, or reassign such claims, and to get a release in Assignor's name in full discharge of the liability thereunder.

Date: 2/27/89

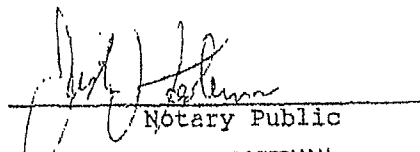

SYLVESTER STEWART p/k/a Sly Stone

ACKNOWLEDGMENT

STATE OF New Jersey
COUNTY OF Midbury

On February 27, 1989, before me, the undersigned, a Notary Public in and for the State of New Jersey, personally appeared SYLVESTER STEWART p/k/a Sly Stone, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he has executed the same.

WITNESS my hand and official seal


Notary Public
JUSTIN J. FOOTERMAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 11, 1993

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Exhibit A to Registrant's Motion to Suspend Proceedings is being deposited with the United States Postal Service as first class mail, postage prepaid, in an envelope addressed to the attorney for Petitioner, Rod Rummelsburg, Esq., Allan Law Group, P.C., 22917 Pacific Coast Highway, #350, Malibu, CA 90265, this 14th day of June, 2010.



Robert A. Becker